...nday September 1 1975
...59,489
...e ten pence

THE TIMES

A critic in perpetual motion: Profile of Rebecca West, page 7

Mr Murray predicts big majority for £6 limit at TUC

...rwhelming support for the ...vernment's pay curbs is expected ...the TUC conference which ...ins at Blackpool today. Mr Len ...rray, the TUC general secretary, ...cated as much after a weekend of lobbying by ...pporters of the policy. One large union, however, changed its mind yesterday and decided to back a left-wing resolution that opposes wage restraint.

Demand for steps to cut jobless

...Paul Routledge
...pool

...e Government's £6-a-... pay limit will be adopted ...a very large vote indeed" ...is week's TUC conference, ...en Murray, general secre-...of the TUC, predicted yes-...day.

...s forecast came after a ...end of lobbying by sup-...rs of the new wage-res-...t measures. Their backing ...the TUC-Government anti-...tion package was finally ...ined in a composite res-...n on the social contract ...economic policy which will ...moved by the Transport ...General Workers' Union.

...e supporting vote will not ...as big as Mr Murray ...cts, because the 250,000-...g Union of Construction, ...d Trades and Technicians ...night decided to oppose ...ay curb. By 17 votes to 15 ...delegation voted to with-... support for the moderate ...and vote for the left-wing ...on against the curb.

...e composite resolu-... recognizes the seriousness ...e economic situation and ...es that a solution can be ...d only through voluntary ...ement on wages, profits ...prices. But that is coupled ...a demand for government ...n to reduce unemploy-...t by a public works pro-...ime, state investment in ...stry, widespread tempor-... employment subsidies, ...tive import controls, and a ...tion of overseas invest-...by British companies.

...se are the wide-ranging ...sals TUC leaders will ...to the Government ...serious gap between the ...s and the Government is ...h by the resolution's un-compromising assertion that "no worker should receive less than £6 per week increase". That is at odds with the Cabinet's view that the figure is an upper limit rather than an entitlement.

The composite motion has the support of 15 unions, including the TGWU, the railwaymen, the local government officers, the power workers, and the General and Municipal Workers' Union. But left-led unions have tabled a composite motion against wage restraint which will be moved by the technical and supervisory staff section of the Amalgamated Union of Engineering Workers.

It is supported by six unions, including the dominant engineering section of the AUEW, two civil service unions, the train drivers, the fire brigade workers, the public employees and Mr Clive Jenkins's Association of Scientific, Technical and Managerial Staffs.

It criticizes the July 11 anti-inflation White Paper as an interference in free collective bargaining and a limitation by law on wage costs in the public sector. "This merely treats the symptoms of inflation instead of tackling the underlying causes of instability in the United Kingdom economy", it adds.

Instead, the Left is urging a 10-point programme of social, industrial and fiscal measures to keep down prices and increase consumption through higher wages.

The National and Local Government Officers Association (Nalgo) delegation last night voted by 54 to 11 to support the anti-inflation White Paper. But it supported Mr Jenkins's attack on the principle of legal intervention in wage bargaining. If other unions take a similar course the ASTMS resolution on the subject may still succeed.

Present indications are that the new pay curbs will be adopted by, at best seven million votes to about three million. Although he would not be drawn about the actual figures, Mr Murray said that the outcome of the crucial debate on Wednesday was not in doubt, for three reasons.

"First, because the policy is a clear reflection of the views that are coming through very strongly from the rank and file of the trade union movement.

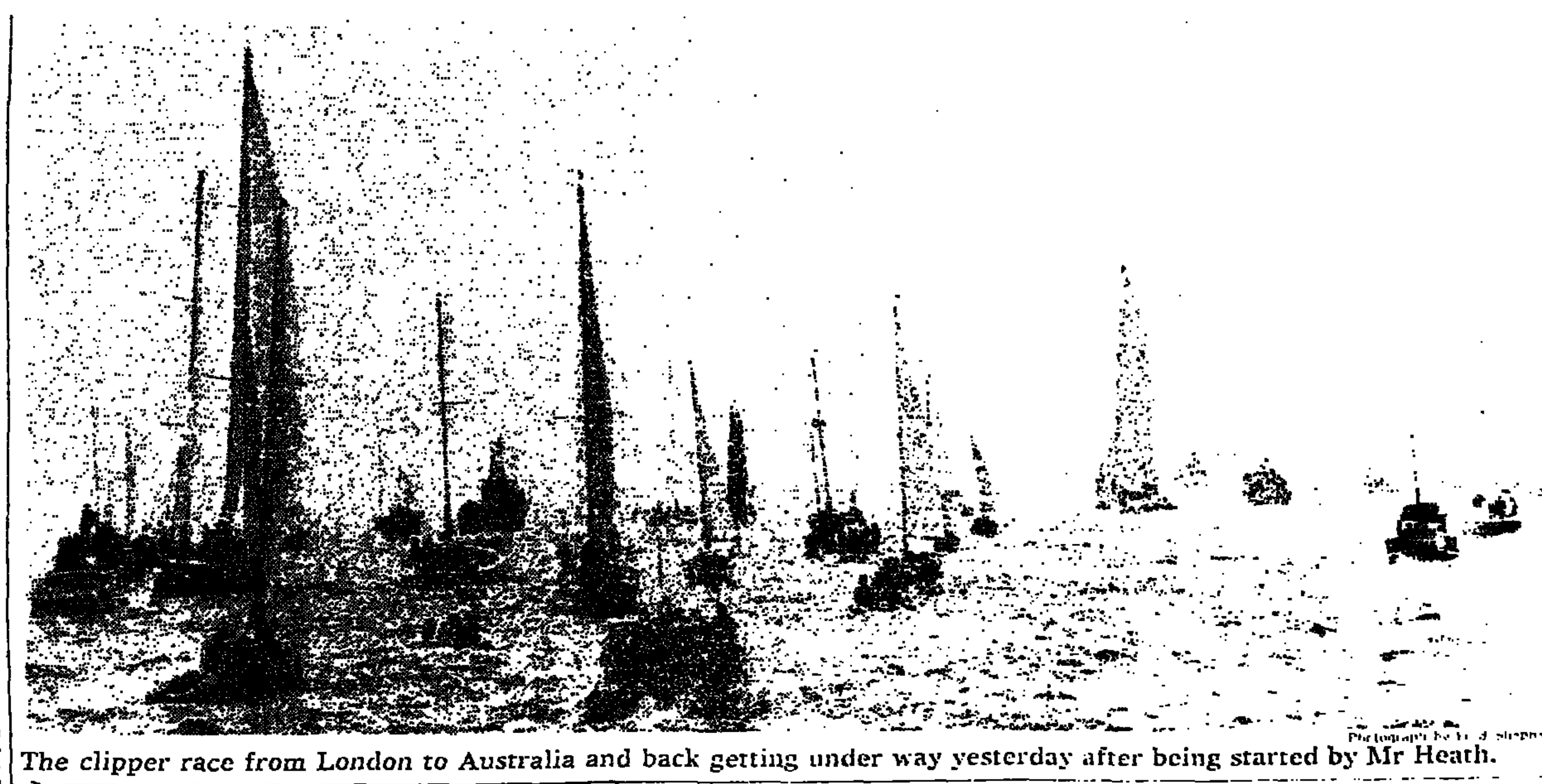
"Second, it recognizes that the issue before congress is not merely an issue of wages but is linked to employment, prices, investment and the betterment of Britain's position abroad—and it recognizes the need for adequate planning of reorganizing and restructuring industry.

"Third, indications from the unions have shown very wide-ranging support."

"The full TUC General Council has yet to decide its attitude to the conflicting resolutions and on a third motion from Mr Jenkins's union which opposes the use of the law in collective bargaining, including "the protection of employers who break contracts", which is specifically allowed in the policy document which is the cornerstone of the economic debate.

However, it is being taken for granted in Blackpool that the general council will vote this morning by a big majority to support the moderate resolution.

Other union news, page 2
More than money, page 10
Leading article, page 11



Photograph by ... Sheppard

The clipper race from London to Australia and back getting under way yesterday after being started by Mr Heath.

Army hostility grows to Gen Goncalves

From Michael Knipe
Lisbon, Aug 31

Various units of the Portuguese armed forces were believed today to be rejecting the authority of their new commander-in-chief, the controversial General Vasco Goncalves, who was ousted as Prime Minister on Friday.

A military spokesman has played down the extent of the so far peaceful insubordination, but other military sources claim that it is widespread. According to these unofficial sources all but two units in the northern military region have rejected the authority of General Goncalves's close ally, Brigadier Eurico Corvacho, who was recently reinstated as commander of the region.

They have apparently placed themselves under the authority of the commander of the central military region, Brigadier Francisco Charais, a leading moderate. In a militant statement recently Brigadier Charais declared that his troops were prepared to prevent any new totalitarian regime taking over.

The official military spokesman in Lisbon said the insubordination involved "just a few reactionary commanders and officers in the north".

After a two-month long power struggle within the Armed Forces Movement (MFA), General Goncalves was replaced as Prime Minister on Friday night by Admiral Pinheiro de Azevedo, aged 58, the navel chief of staff. But the general was made commander-in-chief of the armed forces.

The switch has done nothing to ease the leadership crisis and the continued presence at the centre of power of the pro-communist General Goncalves has provoked concern in military and civilian quarters.

Troops were called to the centre of Lisbon today to flush out Communists who were refusing to leave the premises of the Lisbon Office Workers' Union after losing the union elections. A set of candidates representing an alliance between Socialists and the Maoist-orientated MRPP, had won the ballot, gaining 71 per cent of the votes.

The Communists left the building reluctantly this evening and were escorted away in a military lorry; some of them were armed.

The office workers' union is the latest of several unions where control has been wrested from the Communists by a Socialist-MRPP alliance. The alliance recently gained control of the journalists' union, which yesterday passed a motion warning newspaper workers that they faced possible closure if they continued to tolerate the imposition of political controls.

Photograph, page 3
Leading article, page 11

Role of gold downgraded

American anxiety to phase out the role of gold in the world's monetary system has won the day by agreement with finance ministers of the leading European countries, Japan and International Monetary Fund members in Washington. The special status of gold will be erased from the IMF articles and its holdings, worth $23,000m, gradually disposed of. Under a two year agreement the central banks of 10 leading countries will be free to buy and sell gold to each other and on the open market at the going rate, subject to a ban on any net acquisition by the group as a whole Page 13

Safeguards sought for moderate MPs

Certain Cabinet ministers and moderate Labour MPs, alarmed by the rising influence of left-wing extremists in constituency parties, are to appeal to Mr Wilson for safeguards for sitting MPs, our Political Correspondent reports. Mr Rodgers, Minister of State for Defence, suggests conciliation machinery for disputes between an MP and his constituency party Page 2

Angry unemployed

More than 13,000 boys and girls under 18 are registered as unemployed in the Merseyside special development area. John Chartres reports on their growing anger at their plight and the steps taken to ease it Page 3

Egyptians say 'Sinai pact in hours'

Egypt said officially yesterday that an agreement with Israel over Sinai was imminent. After several hours with President Sadat, Dr Kissinger, United States Secretary of State, flew back to Israel with a draft pact agreed by Egypt. President Sadat's spokesman said that if Israel also agreed, an accord could be initialled "within hours". He could see no further obstacles for Israel Page 1

London PLO protest

Police averted a clash in London between Jewish and Arab demonstrators over the admission of Palestinian representatives to the Inter-Parliamentary Union conference. MPs at a Trafalgar Square rally compared efforts to grant the PLO any respectability to the appeasement of Nazis in the 1930s Page 4

Nuns rescued from Timor

Canberra, Aug 31.—A Royal Australian Air Force Dakota rescued 10 Portuguese nuns and priests tonight from a town in Portuguese Timor held by one of the independence groups involved in the civil war.

They were among 56 refugees which the aircraft picked up in the town of Bacau, held by the leftist Revolutionary Front for an Independent East Timor (Fretilin).

Mr William Morrison, the Australian Defence Minister, said the nuns and priests were rescued in response to a request from the Vatican.

The Dakota was diverted to Bacau by the Australian Government when it was on its way from Darwin to pick up International Red Cross personnel from the island of Atauro, where the Government of Timor has taken refuge.

The rescue came on the eve of talks in Canberra between Mr Whitlam, the Australian Prime Minister, and Dr Almeida Santos, the special Lisbon envoy.—AP.

...eople from ...elfast ...ss airport ...nchecked

...obert Fisk

...a time when the police ...be expected to impose stricter controls on travel ...between Northern Ireland ...Britain, the Heathrow ...t authorities yesterday ...ed more than 200 pas-...s from Belfast to leave ...aircraft and pass through ...erminal without even the ...Special Branch security

...breach of security began ...passengers on British ...ys TriStar jet flight ...515 from Aldergrove to ...n were delivered to the ...ational instead of the ...stic arrival building at ...row's Terminal One.

...ee transfer buses were ...sed to take them to Gate ...where Belfast flights ...y arrive and where the ...ask for passports, driving ...es and other identity ...nents.

...cial Branch officers, who ...s the names and photo-...s of suspected extremists ...ster, were waiting there at ...m yesterday, but two of ...ses went without explana-...gates 10 and 49.

...le police officers angrily ...oned British Airways ...is demanding to know ...e mistake had been made. ...ssengers, who had already ...delayed by baggage checks ...lfast, deprived of their ...on board by an industrial ...e, and whose aircraft was ...inutes late, entered the ...ls lounge to be confron-...a covey of airline girls. ...irls ordered them, and on ...l occasions shouted at ...to present themselves at ...One.

...y refused. Some pushed ...ne girl who put out her ...in a vain effort to pre-...hem from reaching the ...ge section. A woman ...l months pregnant ...on one of the airline ...who had shouted at her ...apped back.

...d baggage from the flight ...een taken to Gate One. ...ne passengers, including ...had to return there, but ...hen British Airways did ...form the British Airports ...ity security guards what ...appened.

...tually they allowed me ...h to Gate One without ...tion of an airline ticket, ...lt a breach of security. ...o Special Branch officers ...nade no attempt to speak ...engers.

...ritish Airways official in ...rivals lounge said: "The ...r bus drivers must have ...notice telling them to go ...e One, but they went to ...rong gates. The head of ...ecial Branch will be com-...wn very hard on me in ...orning".

Detectives search for IRA bomb factory

By Clive Borrell

Detectives were searching areas of London and the Home Counties from dawn yesterday for an IRA bomb factory believed to be supplying explosives for the current series of incidents in London.

The detectives, many of them armed, have been drawn from Scotland Yard's bomb squad, the Special Branch and regional crime squads around the capital. More than a score of addresses in a 50-square-mile area were searched and others were being watched.

Although the police have no positive evidence on the identity of the bombers, there is every reason to believe they have strong Irish connexions. Apart from the public house explosion at Caterham, Surrey, last Wednesday, in which 33 people were injured, the three subsequent bomb incidents came after telephone warnings to national newspapers by men speaking with Irish accents.

Many detectives believe that there was no warning given before the Caterham attack because it was regarded by the bombers as a legitimate IRA target, a bar known to be used by military personnel.

Seven victims of the attack are still in hospital. The condition of Guardsman David Williams, who is still on the critical list, was said yesterday to have shown "a slight improvement". The others were in satisfactory condition.

The attack on Saturday night took place at an office block owned by the National Westminster Bank in High Holborn, London. The Yard was given a 14-minute warning before the explosion and no one was hurt. Two youths who were in the area at about 10 pm gave detectives a description of two young men they saw driving away from the scene just before the explosion.

On Thursday night 10 people were injured when a bomb planted in an outfitter's shop in Oxford Street exploded. On Friday night the bombers killed a victim when one of the Yard's explosives officers, Mr Roger Goad, aged 40, died instantly as he approached a parcel bomb which exploded in a doorway of a shoe shop in Kensington.

Mr Goad, married with two young daughters, had been an army bomb disposal officer in Cyprus and Ulster before retiring with the rank of captain to join Scotland Yard's bomb squad.

Commander Roy Habershon, head of the squad, gave a warning at the weekend that London could face a long bombing campaign in the months to come.

An appeal fund has been opened for Mr Goad's family. Donations may be sent to the Roger Goad Fund, c/o the Commissioner of the Metropolitan Police.

Arabs threaten to boycott General Electric

Cairo, Aug 31.—The Arab Boycott of Israel Conference, meeting in Cairo for the past week, said today that General Electric, the British company, would be blacklisted by Arab states unless it stopped all dealings with Israel within three months.

The warning had been sent to General Electric, whose products are widely distributed in the Arab world.

The conference earlier decided to blacklist the Romanian airline company Tarom and is considering a boycott of the West German car manufacturers, Volkswagen.—Reuter.

Rhodesian team to study racial discrimination

From Our Correspondent
Salisbury, Aug 31

The Rhodesian Government has set up a commission of inquiry into racial discrimination in the country. A team of six whites and five blacks will be headed by Sir Vincent Quenet, a retired High Court judge.

Mr Ian Smith, the Prime Minister, told Parliament last month that such a commission would be established and would study and report on ways of removing unnecessary or undesirable discrimination. Details of how the commission will operate are to be announced later.

Two chiefs are on the commission—Chief Chirau, who is also a senator and president of the Chiefs' Council, and Senator Chief Ndiweni. There are three women, two of them black. The committee will be welcomed by all but extreme right-wing whites.

There has been a relaxation of minor racial laws in a number of spheres. For instance, cinemas and most hotels have in the past decade been thrown open to all races.

Our Lusaka Correspondent writes: Diplomatic manoeuvres aimed at resolving the Rhodesian constitutional problem are in a critical stage. The next few days could see either a breakthrough or a breakdown in contacts between Mr Ian Smith and the African National Council (ANC).

Mr Smith still appears to be adamant that he will not give immunity to banned ANC members to travel to Rhodesia for committee talks. This would prevent the ANC from including several of its senior members in any talks in Rhodesia.

'No Congo' in Ulster, Mr Rees says

From Christopher Walker
Belfast

In the wake of the renewed bombing campaign in Britain, Mr Rees, Secretary of State for Northern Ireland, yesterday made his most determined effort yet to convince the people of Ulster and the Irish Republic that there was no possibility of British withdrawal from the province in the manner demanded by the Provisional IRA.

Speaking in separate interviews recorded for BBC and Irish radio, he gave a warning that any attempt by Britain to abdicate her responsibilities would lead to what he called "a Congo-type situation", which would inevitably spill over on to the mainland.

The latest assurances are certain to infuriate the Provisional IRA's seven-man army council. In recent months it has often reassured the more restless volunteers that a forthcoming declaration of intent to withdraw was one of the conditions of the ceasefire, now 203 days old.

Although British active-service units of the Provisional IRA enjoy greater autonomy than those based in Belfast or Londonderry, it is not thought they would have resumed their attacks in defiance of their masters in Dublin.

Earlier remarks by Mr Rees about the indefinite continuation of direct rule are seen in Belfast and Dublin as providing a possible motivation for resumption of the bombing.

Some politicians in Belfast are persuaded that members of Scotland Yard's bomb squad believe small cells of Provisionals to be responsible, but are unable to say so publicly because the ceasefire officially continues to hold.

Interviewed on Irish radio, Mr Rees maintained that there was no question of a doomsday situation being reached politically if the Convention did not find a solution.

"We will go on. We have got to find a way through this, and it is the British Government's firm resolve to do that", he said. "Any ideas that there are of us pulling out and leaving a Congo-type situation, of us abdicating our responsibilities, are not true. They cannot be. There is no other form of government here other than the very proper one with the United Kingdom."

The four broadcasts made by Mr Rees during the last troubled seven days in Ulster are seen as a political gamble. They are believed to be aimed at convincing increasingly cynical "loyalists" that Britain is not secretly planning to leave the province to its own devices in the foreseeable future.

Loyalist politicians freely admit that, at least superficially, the spoken pledges about the Government's intentions could not be more unequivocal. But the deep suspicion aroused by private meetings with republicans which set the ground for the ceasefire makes it unlikely that any of the most influential will even now be convinced.

The Government's credibility among loyalists has been further reduced by disclosures about a confidential intelligence document "leaked" to the Rev Ian Paisley. It was alleged to have been prepared by a Marine commando regiment, and stated: "Seamus Twomey, chief of staff, Provisional IRA, aware that he is no longer a wanted man, was seen this week in his house, 12 Trostan Way, and has been relatively open in his movements."

Continued on page 2, col 6

Kidnap Briton rescued after gun battle

Buenos Aires, Aug 31.—Mr Charles Agnew Lockwood, a British-born executive, who was kidnapped a month ago by left-wing guerrillas, was rescued today by police, who killed four of his captors in a gun battle.

He escaped unhurt when police raided a house in the Buenos Aires province district of Pilar and exchanged fire with its occupants, who proved to be members of the outlawed Marxist People's Revolutionary Army (ERP).

Mr Lockwood, a director of several companies, including Acrow Steel of Britain and the Argentina-based Roberts Finance Company, was the first businessman to be kidnapped twice in Argentina. He was held for 54 days in 1973 by the ERP, which released him after it collected a $2m (about £950,000) ransom.—Reuter.

Palestine threat to kill Israeli hostages

Beirut, Aug 31.—The Popular Front for the Liberation of Palestine said tonight it was holding hostages after a raid on the Israel border settlement of Kefar Giladi.

It threatened that one hostage would be executed every 15 minutes if the Israelis did not respond to the PFLP's demand for the release of nine prisoners from Israel jails.

The PFLP statement said that the raiders "blew up a number of buildings including an officers' club and a tourist hotel"

Tel Aviv, Aug 31.—The Israel Army tonight derided Palestinian guerrilla claims to be holding hostages after a raid on Kefar Giladi. But the Army had announced earlier that two Arab guerrillas had been killed and two Israel soldiers wounded today outside Metullah, near the settlement.—Reuter.

HOME NEWS

Election could come this year if the £6 pay limit is ignored, Mr Jack Jones says

From Tim Jones
Labour Staff, Blackpool

Trade unionists were warned yesterday that there could be a general election which the Labour Party might lose unless they gave firm support to the flat £6-a-week pay rise limit of the Government and the Trades Union Congress.

Mr Jack Jones, general secretary of the Transport and General Workers' Union, told left-wing opponents of the policy to stop dreaming and face reality.

Mr Jones, who was speaking at a press conference on the eve of the TUC conference in Blackpool, made it clear that he expected trade unionists to accept some sacrifices to ensure the continuation of a Labour government. "The time for carping criticism has gone", he said. It was a time for a positive response and socialists must be prepared to take part now. He will be moving the motion in support of the £6-a-week policy at Wednesday's crucial debate on the economy.

He said that there was a clear link between wage rises and unemployment. In the last round of pay negotiations people had received more money in their pockets than ever before, but unemployment had also risen.

"People were even talking about 60 per cent wage increases. If you go on like that you come to the banana republic, where £1 will be the value of one piece of toilet paper."

He said the £6 limit would avert the danger of more jobs being lost because there was too little money in people's pockets. "But we have many friends in the Labour movement who say that unemployment will get worse unless we have much more than £6, in fact, keep ahead of prices almost week by week.

"They are wrong, and dangerously so. If they were right, why is there so much disastrous unemployment now, when in the last year we have had more money in our pockets than ever before in living memory? They are wrong and we have to persuade them as well as those who think that £6 is too much. Do not forget many employers still believe this."

The only way to save jobs was neither to push too far nor to accept too little.

"Just imagine what would happen to the Labour Government if unemployment gets much worse. We know how skilful our opponents are at twisting the knife in the wounds of people badly treated by inflation and redundancy.

"Out of the despair and confusion that is already present they would persuade enough of them to grasp at a Tory-type policy and we would see a general election before the year is out."

Mr Jones, who is to press in the coming months for a £2,000m plan to boost investment in British industry, said that in the past 15 or 20 years a million or more people had left manufacturing and essential industries, with a corresponding increase in service industries, which were often unproductive and unnecessary.

To have more people employed in service industries than in manufacturing the goods that were serviced was "the road to hell in terms of inflation".

Under his investment plan a proportion of each company's profits would be put into a special investment fund and could be used only for investment. While it remained in the account it would earn no interest.

The plan would also involve the Government in bringing together large pension funds and other institutional investors in a consortium to channel money into new investment.

He made it clear that he regards the £6 as an entitlement, and not a negotiable upper limit. Companies which claimed that they could not afford to pay it should "put their books up to the workers for examination" he said.

His union would support the pay policy, but that did not mean they would pull their punches in the fight against growing unemployment and for stringent price controls.

They would be pressing for more public expenditure directed to essential and specific needs. These included more housing, more public transport, help to keep cities really clean, the defence of the health service, higher pensions, and the introduction of selective import controls.

Leading article, page 11

Teachers to oppose education cash cuts

By a Staff Reporter

The National Union of Teachers is to oppose cuts in government spending on education, Mr Frederick Jarvis, the union's general secretary, said yesterday.

At the TUC on Wednesday, he will move a motion expressing "deep concern at the cuts which have been imposed on the education service", which the union says will cause a further reduction in the rate of expansion prejudicial to all children.

In July, Mr Mulley, Secretary of State for Education and Science, announced at the Council of Local Education Authorities' conference in Cardiff that spending on education would grow by only 2 per cent in real terms next year, and there have been persistent reports that the Government plans a further £500m reduction in the next few years.

The union fears that, taken with cuts in local authority spending, education could suffer by about £100m next year. Education authorities are also likely to be asked to make large savings when the Government's review of public spending is announced.

The union's executive, after meeting on Saturday, deplored the cuts, which it said were causing a deterioration in staffing standards and meant less money for preschool education and school building.

It expressed concern at Mr Mulley's Cardiff statement and said it was determined to continue to resist the compulsory transfer of teachers from one school to another. It will also oppose any redundancies in the profession.

Chief union moderate may suffer defeat

From Our Labour Editor
Blackpool

Mr Roy Grantham, a leading moderate trade union chief, is likely to lose his seat on the TUC General Council in elections opening today because the delegation of the Union of Shop, Distributive and Allied Workers (Usdaw), which has consistently voted in his favour, last night decided to withdraw its support.

The loss of 300,000 Usdaw votes, which will now go to another candidate in the professional and clerical trades section, seems certain to demolish the 500,000 majority of Mr Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff (Apex).

He has been a member of the general council for four years and has pursued moderate policies, often against the tide of union opinion. He has always been a fervent supporter of Britain's membership of the European Economic Community.

His prospective ousting is probably due to a dispute with the Association of Scientific, Technical and Managerial Staffs (ASTMS) over staff working for General Accident, the insurance company. Both unions claimed membership of the workers involved. A TUC disputes committee awarded them to the ASTMS, an adjudication that was later challenged in the High Court by Apex. Mr Grantham's union's refusal to abide by the TUC ruling has clearly tipped the balance of support against him.

International Women's Year is reflected in new membership figures for British trade unions published today. The number of trade unionists increased in the past year by more than 340,000. About half of the new recruits are women, with the largest increases being in service industries and public employment.

According to a statistical report prepared for the conference of the Trades Union Congress, opening this morning, there are now 11,363,274 members of trade unions. 341,500 more than last year. Of the new recruits 181,820 are men and 159,680 women.

The biggest increase is in the transport (other than railways) sector, which accounts for 61,716 men and 21,058 women. There are 86,213 new members of public employees' unions, nearly 61,000 of whom are women, including many part-timers.

Many more women were registered in catering and distribution. They outnumbered male recruits in the engineering, foundry and motor manufacturing industries, with a total 18,320 of new members to the men's 16,907.

There are about seven thousand fewer trade unionists in the mining industry, more than 1,200 fewer on the railways. The total for the electricity industry dropped by about six thousand. Construction lost five thousand and the textiles and footwear industries lost 4,500.

Ironically, while there are fewer men in the steel trades unions, there are about 550 more women. The reverse is true in the Civil Service and the Post Office, where men recruits totalled 15,417 and female membership fell by more than five thousand.

AUEW man dies: Mr Edward Marsden, general secretary of the constructional section of the Amalgamated Union of Engineering Workers and a member of the national executive of the Communist Party, died in a London hospital at the age of 61 on Friday, it was disclosed at Blackpool yesterday on the eve of the TUC conference to which he would have been a delegate. He had been ill with cancer for several months.

Tributes to Mr de Valera: Tens of thousands of people yesterday filed past the body of Eamon de Valera (above) the former President of the Irish Republic as it lay in state in a coffin draped with the Irish tricolor in St Patrick's Hall at Dublin Castle. The queue stretched along several streets near the building. Ambassadors from 31 countries, including Sir Arthur Galsworthy, the British envoy, were among those who came during the day to pay tribute. When the lying-in-state ends today the coffin will be brought to the Pro-cathedral. The state funeral will take place tomorrow at Glasnevin Cemetery.

Sectarian violence in Ulster claims more victims

Continued from page 1

Within the Army, allegations that an intelligence document has been deliberately photocopied and used for political ends has caused concern. Yesterday it was disclosed that Lieutenant-General Sir David House, GOC, Northern Ireland, is conducting an urgent investigation.

Mr Rees has reiterated his denial of any deal between the Government and the Provisionals.

An Army statement said: "The GOC is investigating whether the document is authentic and, if so, how it came into existence and into unauthorized hands. There is no question of any agreement with the IRA that Twomey would be immune from arrest. If Twomey had any such ideas, he was under a misapprehension. It has been made clear on a number of occasions what the arrest policy is."

Mr Paisley's disclosure, which is apparently intended to subject the Government to maximum embarrassment over the ceasefire, is the latest of several incidents in which there have been well planned leaks to loyalists politicians and paramilitary groups from different sections of the security forces.

Earlier this summer it was alleged that secret Army documents, including photographs, addresses and personal details of suspected members of the Provisional IRA, had been handed over to a paramilitary organization by soldiers. An inquiry was ordered but at Army headquarters yesterday a spokesman said: "I presume it is still continuing."

On Saturday a part-time member of the UDR was murdered by militant republicans. Mr Robert Fraser, aged 50, had 10 children and was killed in the border area of South Armagh, which has seen a sharp upsurge in sectarian violence over the past few weeks.

He was shot in the head at point blank range as he backed his car from a farm near his home. Responsibility for his killing was later claimed in a coded telephone call by the South Armagh Republican Action Force, one of the latest splinter groups to form in the vacuum left by the ceasefire.

The killing was said to be a reprisal for the murder of two Roman Catholics last Sunday as they returned from a football match in Dublin. Further reprisals were threatened for the deaths.

As the sectarian violence continued fiercely in many parts of Ulster, a Roman Catholic in his early thirties died after a public house was bombed on Saturday. The Harp Bar, in the centre of Belfast, was wrecked in the blast, which killed Mr Dennis McAuley and injured other customers, one seriously.

In Belfast on Saturday Stephen Geddis, aged 10, died from injuries he suffered during rioting in the Lower Falls area of the city last Thursday. The Provisional Sinn Fein and local residents maintained he was hit by one of the Army's plastic bullets, but that will not be known until the inquest. Dr Joseph Hendron, Social Democratic and Labour Party Convention member for the area, is demanding an investigation "at the highest level".

Airline call for ban on cheap fligh and vouch

By John Carter

British Airways is seek stop some inclusive holid Greece and Portugal bec contends that passenger being "filched" from sch air services.

Thomson Holidays pro return flight and vouche low-cost accommodation. Airways complains tha vouchers are frequentl used. It is asking the Aviation Authority to a operator's licence so that modation will have to be and paid for in adva Thomson's "and shall b reasonable standard an realistic price".

The last requirem aimed at Wanderer holi Greece, which provide for accommodation in hostels. Thomson's d the accommodation as basic". Its brochure says will be required to additional sum for the sleeping bags and bedsh

British Airways said we are trying to do is a certain type of traffi we believe to be direc of our normal schedu fares. These Wanderer are very cheap and in not insist on the prov accommodation. You n bother to pick up the v

"This means that they son's) can in fact offi very cheap fares to thes and we believe that could use them just f This is not in the spirit the Civil Aviation A granted Thomson's a li do."

When the holiday launched at the begi the year hostel vouche return flight between L Athens could be had little as £49.

Though surcharges increased the brochure about 18 per cent, they far cheaper than the scheduled return between London and £160.40. The same a flights between Brit Corfu (£57 in the compared with £15 scheduled services) and (£60 compared with The airline has simila tions to Wanderer ho Portugal.

Mr Roger Davies, T marketing director, s more than 3,000 of the had been sold since the at the beginning of The company's view they were not divert sengers from scheduled or certainly not more other type of holiday Thomson's research ha that young people wanted low-cost fligh freedom to travel dently.

The Civil Aviation A will hear the applic September 10.

TUC plea on review of pensions

From Christopher Thomas
Labour Staff
Blackpool

The TUC has rejected the Government's declaration that it is not possible to review old age pensions every three months. A meeting has been arranged with Mrs Castle, Secretary of State for Social Services, at which the TUC will present the result of a study into the possibility of more frequent reviews.

The scheme would require up to 5,000 extra staff at the Supplementary Benefits Commission, with additional buildings for them.

Mr Peter Jacques, secretary of the social insurance and industrial welfare department of the TUC, said yesterday: "We believe we have a viable scheme. The idea of three-monthly reviews is now a runner."

It is possible that the TUC will step up its policy on pension reviews, but tomorrow delegates will be asked to approve a scheme for six-monthly reviews.

Mr Jack Jones, general secretary of the Transport and General Workers' Union, will move a motion calling for pensions for couples to be linked to half the male national average wage, which would now give them £28 a week, and a third for single people.

Mr Jones, the architect of the Government-TUC pay policy, said increases of more than £6 could be justified for pensioners, widows and the severely disabled. "We have every right to press our claims. We must ensure public support and gain the sympathy of the Government. I know that congress will decide unanimously to go for this policy", he said.

Mr Len Murray, TUC general secretary, told thousands of pensioners at a rally on Blackpool beach yesterday that the TUC favours three-monthly reviews. "We are on the march. We have made a start and we are going forward."

Minister wants steps to protect moderates from ousting by left-wing extremists

By George Clark
Political Correspondent

Some Cabinet ministers and moderate Labour MPs who are alarmed by the rising influence of left-wing extremists in constituency Labour Parties, are to appeal to Mr Wilson for new safeguards to protect sitting MPs.

The experiences of Mr Prentice, Minister for Overseas Development, at Newham, North-East, and Mr Frank Tomney at Hammersmith, North, and the threat to Mr Callaghan, Secretary of State for Foreign and Commonwealth Affairs, at Cardiff, South-East, have prompted Mr Rodgers, MP for Teesside, Stockton, and Minister of State for Defence, to propose certain steps.

He wants conciliation machinery to be set up for intervention in disputes between a constituency party and an MP, and a year's "grace" before the decision of a general management committee to oust a sitting MP takes effect.

That would give pause for reflection and for the moderates in a local party to use their influence. Mr Tomney, whose left-wing executive has recommended that he should not be adopted for the next election, said yesterday that he supports Mr Rodgers's proposal.

"Mr Wilson is a very good strategist and tactician", he said. "Although there is an appeal to the national executive, there is no chance of succeeding on appeal as things stand now, because of the composition of the executive. It is likely to become even more left-wing as a result of this year's election.

"That is something which Mr Wilson will have to use his authority on, otherwise the whole character of the Labour Party is going to change. He should make an appeal to his Cabinet and to the more responsible members of the NEC for them to insist that whatever representations they may have from a local management committee about an MP, he is in Parliament by the wish of the electorate, who have put him in to carry out the party programme in the manifesto."

Mr Rodgers said: "What is needed is a joint NEC-PLP conciliation committee which endeavours to find common ground in a dispute between an MP and his constituency and tries for a solution by conciliation.

"Only in the event of clear failure, and after an appropriate period of grace, should the formal machinery for replacing an MP operate." He thought there should be a year's wait before a general management committee decision took effect.

Dr Stephen Haseler, a joint secretary of the Social Democratic Alliance, formed by Labour members in the constituencies to mobilize party workers against growing left-wing influence, did not think Mr Rodgers's scheme would stop the trend.

"All that would happen would be that the moderate MP overthrown by his constituency management committee would just have an extra year in which to vacillate and compromise instead of standing up to the left", he said.

"We want the moderates in the party to stand up and fight."

The final agenda for the party conference, published today, shows that Mr Norman Atkinson, MP for Haringey, Tottenham, and a leading member of the Tribune group, is challenging Mr Callaghan for the treasurership. The 24 nominations for seven representatives of the constituency parties also include 15 people who are either members of or sympathizers with the Tribune group.

Mr Tomney said yesterday that while the Tribune group supposedly had 80 members, "there are probably 20 dedicated extreme left-wingers in the group." The rest joined to avoid trouble in their constituencies.

Meanwhile, Mr Tom Litterick, MP for Birmingham, Selly Oak, a Tribune member, said he would insist that the party's NEC should "discipline" Mr Wilson if he attempted to intervene to save moderate MPs.

"It is interesting that all these 'moderate men' turn out to be authoritarian when it comes to the crunch", he said. "Mr Tomney is a classic type of the moderate man who believes in democracy only so long as democracy agrees with him."

The youth section of the party, the Labour Party Young Socialists (LPYS) are coming under close scrutiny from party managers and MPs who find them a potent force in propagating left-wing policies.

Party officials said yesterday they knew of a Trotskyist group called the Revolutionary Socialist League, which had infiltrated the youth organization. It is said to control 17 of the 18 LPYS regional executives.

The party conference agenda contains a resolution from Cheadle noting "the recent separatist trends" in the LPYS and asking the conference to authorize a working party to examine the constitution of the LPYS.

There is no sign, so far, that the national executive will support the demand for the working party inquiry. An amendment from Bristol, South East (where Mr Wedgwood Benn is MP), lauds the work of the LPYS and the National Organization of Labour Students in recent general elections, and asks for the appointment of a full-time organizer to build up the "mass youth and student movement".

There are no amendments, however, to the two resolutions which call for the Cabinet to be chosen by the PLP and for all MPs to be accountable to their local parties.

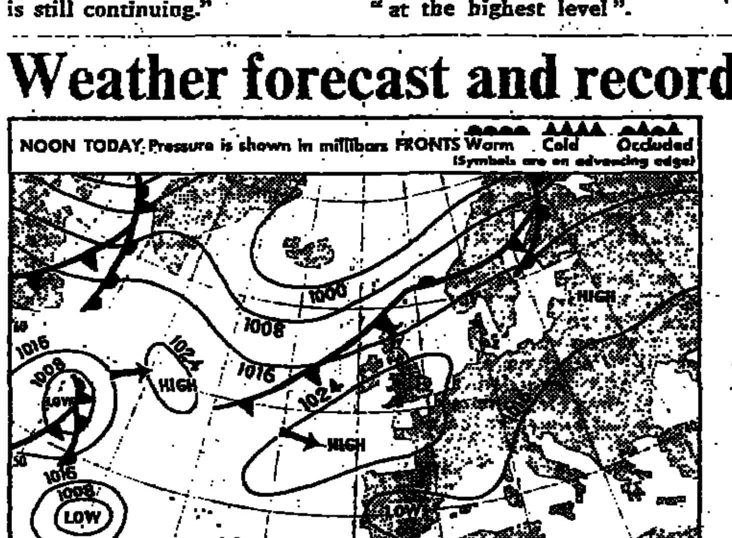
Financial "crisis": The party's annual report, published yesterday, speaks of the prospect of a cash crisis next year. Expenditure last year increased by £460,000 to £1,399,000, mainly because of inflation and the two general elections in one year. The net deficit for the year was £76,471. The adverse balance of the general fund carried forward to 1975 was £205,620.

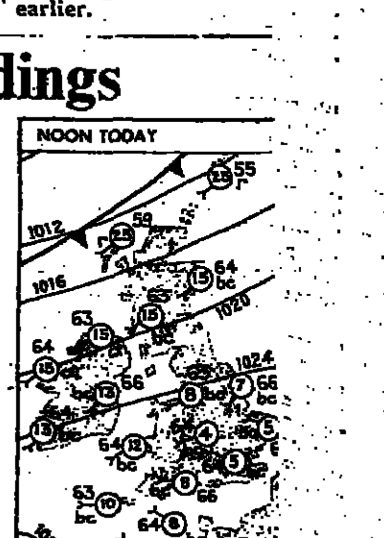
Crashed tanl traps woman

Mrs Mary Palmer, o Road, Solihull, was yesterday after being for four hours in the overturned tanker. She only a broken toe. Thre were used.

The tanker, driven husband, hit a bridge A41 between Chester a church, and overturne stream. Mr Palmer and Mark, aged three, were earlier.

Weather forecast and recordings





Today

Sun rises: 6.12 am Sun sets: 7.49 pm
Moon rises: 12.42 am Moon sets: 4.52 pm
New Moon: September 5.

Lighting up: 8.19 pm to 5.44 am. High water: London Bridge, 9.26 am, 5.5m (18.2ft); 10.8 pm, 5.7m (18.6ft). Avonmouth, 2.45 am, 9.8m (32.1ft); 3.29 pm, 10.1m (33.3ft). Dover, 7.25 am, 5.2m (16.9ft); 8.5 pm, 5.3m (17.5ft). Hull, 1.54 am, 5.7m (18.6ft); 2.49 pm, 5.6m (18.5ft). Liverpool, 7.26 am, 7.3m (24.0ft); 8.3 pm, 7.6m (24.8ft).

A ridge of high pressure will move slowly S over England and Wales as weak troughs advance E across the N of Britain.

Forecasts for 6 am to midnight:

London, SE England, East Anglia, Channel Islands: Cloudy in places at first but generally dry with sunny spells; wind N, light; max temp 21°C (70°F).

Central S, SW England, E Midlands: Fog patches at first, then dry with sunny spells; wind N, light; max temp 22°C (72°F).

E, NW, central N, NE England, W Midlands, Wales: Dry with sunny spells after fog patches; wind N, backing W, light; max temp 22°C (72°F).

Lake District, Isle of Man: Sunny spells and mainly dry, cloudy later; wind W, light, backing to SW, moderate; max temp 19°C (66°F).

Outlook for tomorrow and Wednesday: Much of England and Wales will be dry and warm at first with sunny spells, but more cloudy weather in N with some rain will spread S, followed in N by lower temp and scattered showers.

Sea passages: S. North Sea, Strait of Dover, English Channel (E): Wind N, moderate, becoming light; sea slight, becoming smooth.

St George's Channel, Irish Sea: Wind variable, becoming SW, light; sea smooth.

Saturday

London: Temp: max 7 am to 7 pm, 18°C (64°F); min 7 pm to 7 am, 16°C (61°F). Humid, 7 pm, 70 per cent. Rain, 24 hr to 7 pm, trace. Sun, 24 hr to 7 pm, nil. Bar, mean sea level, 7 pm, 1,011.8 millibars, rising.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; f, fair; r, rain; s, sun; th, thunder.

		C	F			C	F			C	F			C	F
Algiers	s	28	82	Cologne	c	17	63	L Palmas	s	25	77	Nice	f	24	75
Amsterdm	s	23	73	Copenhgn	s	23	73	Lisbon	s	28	82	Nicosia	s	29	84
Athens	s	33	91	Dublin	s	17	63	Locarno	c	21	70	Oslo	f	19	66
Barcelna	th	21	70	Edinburgh	s	18	64	London	c	17	63	Paris	s	20	68
Beirut	f	30	86	Florence	s	25	77	Luxembrg	c	20	68	Reykjavik	r	4	38
Belfast	s	16	61	Funchal	s	24	75	Madrid	s	28	82	Rome	s	27	81
Berlin	c	21	70	Geneva	f	21	70	Majorca	s	27	81	Stockholm	c	16	61
Bermuda	s	31	88	Gibraltar	s	28	82	Malaga	s	27	81	Tel Aviv	s	29	84
Biarritz	c	18	64	Guernsey	s	21	70	Malta	s	27	81	Toronto	c	18	64
Bristol	c	16	61	Helsinki	f	16	61	Miami	s	31	88	Venice	s	24	75
Brussels	f	20	68	Innsbruck	f	21	70	Moscow	s	17	63	Vienna	s	23	73
Budapest	f	24	75	Istanbul	f	26	79	Munich	f	20	68	Warsaw	s	26	79
Chicago	c	18	64	Jersey	s	19	66	Naples	f	27	81	Zurich	s	20	68

Yesterday

At the resorts

Overseas selling prices

Father and four children die in house fire

From Our Correspondent
Liverpool

Five people died in a fire which destroyed a small terrace house in Ash Street, Bootle, Lancashire, yesterday morning. They were: Mr Sidney Clotworthy, aged 38, his children, Barry, aged 18 months, Brian, three and a half, and Kathy, aged nine, and Donna Waugh, aged 10, who had stayed overnight.

The fire was over in 25 minutes. Another member of the family, Theresa, aged 11, was seriously ill with burns last night in Alder Hey hospital. Another daughter, Anthea, aged six, had stayed with friends overnight.

The mother, aged 33, another daughter, Karen, aged 15, and two teenage friends who had stayed overnight were detained in hospital with burns and cuts after jumping from the back bedroom. An electrical fault is believed to have caused the fire. Neighbours who went to help were beaten back by the heat.

Police theory of death ride

Police searching for the murderer of Mr Charles Spasic, aged 60, a farm camp warden, whose battered body was found near his red Opel Manta car at Bigby Top, near Brigg, Lincolnshire, on Saturday, believe he was driven a mile and a half while alive to the spot where he was found.

Mrs Thatcher affirms Tory faith in a free society

By Our Political Staff

Mrs Thatcher, Conservative Party leader, emphasizes the need to secure a free society in an article published today in which she sets out the party's aims.

"Who can say that freedom of speech, freedom from bullying, freedom from envy, freedom of choice, and the freedom of the market place do not all seem to be diminishing in our society?" she asks.

"We believe that in a free society, in which the state is not forever interfering, we will obtain the greatest efficiency, prosperity, care and responsibility."

Mrs Thatcher's declaration is published in *Conservative Monthly News*. She says the catchphrase, "do your own thing" is a tenet of Conservative philosophy.

Private enterprise, encompassing the big company and the self-employed shopkeeper, must be encouraged. "Competition, diversity, a range of choice, are as important to our society as a whole as the housewife finds them on the supermarket shelves", she writes.

Tories back Government's anti-inflation policy

The Conservatives will stand by the Government if its policy to beat inflation is challenged, Sir Geoffrey Howe, QC, Opposition spokesman on Treasury and economic affairs, said on Saturday.

In a statement issued by Conservative Central Office, he added, however, that the measures so far adopted by the Government, as well as the manner in which it had chosen to present them, fell short of what was necessary.

There were three reasons why government spending needed to be reduced, Sir Geoffrey said. The accelerating burden of debt itself increased the threat of future inflation. A large and expanding public sector was incompatible with an improvement in British net exports and with higher investment, on which present and future employment must depend.

Thirdly, higher public expenditure could be financed only through higher taxation. "And it is now clear that the ordinary citizen will not tolerate any further significant increases in his tax burden."

Football supporters used mail to fire coach

From Our Correspondent
Crewe

A football train was evacuated at Crewe station on Saturday after Liverpool supporters set fire to a coach, using the contents of mailbags taken from Leicester station.

Police reinforcements were called because the platforms were crowded with Manchester United supporters awaiting trains after their game at Stoke.

Another train returning four hundred Millwall supporters after their game at Preston stopped for 10 minutes. A railway official described the situation as "a powder keg".

No one was hurt in the fire but the coach was damaged beyond repair and will cost £70,000 to replace.

A British Rail police sergeant and four constables were on the Liverpool train, which carried six hundred supporters. Names of six passengers were taken and they were barred from returning to the train when it left Crewe.

Later, railway employees sifted the charred contents of the mailbags: they contained pension books, many telephone accounts for the Lincolnshire area, letters, films for processing, and mail order goods, including coats, jackets, blouses and trousers.

Articles thrown from the train were found on the railway line between Crewe and Leicester.

Manchester United supporters caused extensive damage to their train, breaking lavatory seats, armrests and light bulbs and cutting up seats and upholstery. Six supporters from Cardiff were arrested for alleged hooliganism at Whitchurch on Saturday morning after the guard stopped the train and sent for police. On the Millwall train, supporters threw out loose objects.

Thirty hurt: Ambulancemen treated more than 30 people who were hit by flying objects after the Stoke City-Manchester United match (a correspondent writes).

Scuffles broke out on the terraces, rival supporters fought after the game, and 61 arrests were made.

Arrests in Scotland: Police arrested 80 supporters at Ibrox Park, Glasgow, during the opening of Scotland's new Premier football league. The match between Rangers and Celtic attracted a crowd of 73,000. Fifty are to appear in court today, charged with breaches of the peace, and some of them with additional offences (a Correspondent writes).

Bound body in lake had shotgun wounds

A man whose bound body was found in a lake in Earlswood, Warwickshire, on Saturday, died from shotgun wounds, police said yesterday. Detectives are trying to establish the man's identity.

The body had been in the water for between six months and two years, they said. It was wrapped in a sheet and weighted with a paving stone.

The police said more than one person must have been involved in the killing.

Climber killed

A climber was killed on Saturday when he fell 40ft on High Tor, in north Derbyshire. He was Mr Ivor Thomas, aged 23, of Oswestry, Salop.

...spair of unemployed ...ung people drops ...a dangerous point

Regional report

John Chartres
Liverpool

...one from Liverpool 8 ...ply" was the title of a ...ernment report earlier ...r on the plight of un...d young people in one ...nost depressed areas of ... from buoyant city.

...report, one of several ...of the inner areas of ... Birmingham and Liver...as commissioned by the ...nent of the Environment ...ars ago. Last March it ...d in stark terms the ...of young people, par...y those of young black ...about their limited ...in an area of Liverpool ...lies behind the two ...als and the bright new ...ity buildings and which ...n to one of the nation's ...smal stretches of water...he abandoned and dere...th Docks.

...frustrations and despair ...some of the young ...comments in the report ...ken on a dangerous new ...ance for those concerned ...he publication of the ...unemployment figures, ...larly those referring to ...eavers.

...of quotations are: ...just take one look at ...ecord and say 'there's ...for you'"; "When you ...advertisement for a job ...per you know that about ...her people are thinking ...it at the same time"; ...the thing about being ...n Liverpool is that you ...et away from it".

...figures on the last unem...nt count were worse than ...ost pessimistic forecasts ...ple concerned with the ...vork youth on Mersey...hey are still subject to ...ion week by week, but ...d terms more than 13,000 ...und girls under 18 are ...red as unemployed with...oundaries of the Mersey...ecial development area. ...rpool education authority ...s share of that figure at ...of whom 4,500 are sum...hool-leavers. The figures ...e worst since 1940 and ...ost serious aspect is that ...mber of vacancies, parti...for apprenticeships in ...trades, is so low that ...is little hope of a signifi...eduction by the end of the ...

...s are being taken to con...a conference of all ...zations concerned by ...October, when the final ...will be known.

...rpool city ratepayers ...oute about £1.2m a year ...uth clubs and similar ...zations. Merseyside police are also deeply conscious of the difficulties and Mr James Houghton, the chief constable, has allocated nearly 50 officers to community relations work. His first concern, of course, is that the high unemployment will add to crime.

Mr Lawrence Holden, chairman of the Liverpool youth organizations committee, believes that the new Merseyside County Council ought to be the forum for seeking solutions and the central agency for prising money out of the Government.

Unfortunately, under the new local government structure, the county council has no specific powers in the fields of education, employment and youth work which Mr Holden and many others think it should have.

A scheme known as Community Industry, run by the National Association of Youth Clubs, is being widely used. It allows for the employment of young people on such projects as laying out playgrounds and cultivating pensioners' gardens.

The young people taking part are paid the lowest local authority manual labour rates out of government funds, but only an average of 100 young people are employed in this way in each local authority.

Liverpool City Council is also operating an "out of school, out of work" scheme, under which places at further education colleges are offered to unemployed school-leavers.

The real solution, it is agreed on every hand, must in the long term be the rejuvenation of Merseyside's economy. Kirkby remains the chief trouble. Department of Employment figures showed 846 young people under 18 as unemployed in August. Mr Harold Rigby, principal careers officer for the new Knowsley borough, which administers Kirkby and several other difficult areas, estimates that he has 3,000 young people seeking employment.

Miss Joan Watkins, local organizer of the Community industry scheme can produce 100 jobs. A self-help community trust can employ 12 in a wastepaper baling factory.

Prisoners let out to train for careers

By a Staff Reporter

Prisoners at an open prison on the South Coast are being allowed out on parole to train for careers which will help them to get jobs when they are released. They are taking part in a pilot scheme launched jointly by the Apex Trust, the employment agency for former prisoners, and the Home Office. That was disclosed yesterday in the trust's annual report.

The Home Office granted permission for the scheme last October and Apex began to interview prisoners in January. So far 55 have been interviewed and a further five are due for interview.

Three men are training for engineering courses at a government skill centre, and three more are due to start next month. Two men are learning hotel management.

Mr Frederick Pantney, director of the Apex Trust, said that later this year the experiment would be taken a stage further with the offer of careers guidance to men in a closed prison. He hoped to discuss the matter with the Home Office in October.

"But for closed prisons the services will probably have to be taken into the prison because of the reaction of the public", he said. "Public opinion is not likely at this stage to accept large numbers of men leaving closed prisons during the day to undertake education or training."

He emphasized that getting a job quickly after release was an essential part of rehabilitation. "When the prisoner is unable to get employment the chances of successful rehabilitation must be reduced."

Apex was giving preference in interviewing to people with eight and a half months to serve, as they were most likely to benefit, Mr Pentney said. "If the employment prospects of the men are to be improved, it may be necessary for them to obtain specific education or training in order to fit them for the recommended employment."

There were only limited educational and training facilities within a prison. "The second leg of the service we recommended was that in the open prisons men should be granted day parole to undertake the necessary education or training within the community" he said.

Apex Charitable Trust: annual report 1974-75 (9 Poland Street, London, W1, free).

...enagers form job agency

...Our Correspondent
...orough

...hundred teenagers who ...ot found work since they ...hool at the end of the ...r term are organizing an ...to undertake such tasks ...hing cars, cleaning win...nd digging gardens.

...scheme is being launched ...at Peterborough. Two ...nes are being installed ...city youth centre for the ...ob project. They will be ...d three days a week, financed by the city council and other local organizations.

Mr David Howie, the project organizer, said yesterday: "The boys and girls will run the scheme themselves. They will take the orders for the jobs and then allocate them to individuals or to teams. No task will be too small or too big. The teenagers will fix their own scale of charges. We see the project as a self-help community service until the present employment situation is resolved."

20,000 pay to see Roman villa

More than 20,000 people paid last month to visit a Roman villa excavated near the Dover market square by members of the Kent Archaeological Rescue Unit.

It was open to the public for a month. Mr Brian Philp, director of the unit, said yesterday that the interest was so great that it was no longer necessary to ask for £2,500 from public funds to cover the cost of the excavation.

...gher parking fines in force today

...na Geddes

...fixed penalty for illegal ...t and other road traffic ...s goes up from £2 to £6 ...

A loophole in the law ...enabled a car owner to ...responsibility on the ...that he was not the ...at the time an offence ...mmitted has been closed.

...introduction from today ...ner liability for fixed-...offences means that the ...will no longer have to ...h who the driver was ...they can prosecute. If ...lty is not paid within 21 ...f a ticket being issued, ...istered owner will auto...ly be liable to prosecu...

...only way the owner can ...esponsibility is by sub...proof that he was not ...at the time of the ...and by supplying the ...nd address of the driver ...e driver's counter-signa...If the driver cannot be ...ted (if he has left the ..., for example) responsi...eturns to the owner.

The owner in most cases will be the person or company whose name appears in the vehicle log book or registration document. The police remind owners that anyone who sells a car should notify the registration authorities promptly of the change.

Special provision is made in the new law for car-hire firms, under which the hirer will be liable for parking offences in the same way as if he owned the car. If he cannot be prosecuted, the hire firm will still not be held responsible.

Of 3,500,000 parking tickets issued in England and Wales in 1973, only 62 per cent were paid. One payment in five, representing £1.4m, was not obtained for various reasons. In most cases the police failed to trace the driver within the statutory six-month time limit for bringing proceedings in a magistrates' court.

The Government hopes the new law will greatly reduce the number of offences in which that happens, and that the three-fold increase in the fixed penalty will help to discourage illegal parking. More than two million tickets a year are being issued in London alone.

The fixed penalty previously had not been increased since the system was introduced in 1960. If it had kept pace with inflation, it should now be about £5.60, which is very near the new £6 penalty. Under existing legislation the Home Secretary has powers to increase the amount to a maximum of £10.

The Road Traffic Act, 1967, gave the Home Secretary powers to increase the fixed penalty for road traffic offences up to half of the maximum fine for a similar offence for a first offender.

Until last January the maximum fine for illegal parking was £5, which meant that the fixed penalty could not be increased to more than £2.50. The maximum fine for parking is now £20 and for other road traffic offences it ranges up to £100.

...ming rape victims unfair, ...tors and solicitors say

...names of rape case vic...hould not be disclosed ...trials or afterwards, ex...some circumstances, a ...ommittee of the Law ...and the Guild of British ...per Editors recommends.

...memorandum to the Heil...ommittee on the laws of ...he joint committee said ...it was unfair and un...le that women who had ...ped should be subjected ...rse publicity.

...en would not be dis...d from preferring ...if their names were not ...d. But care must be taken to ensure that women were not encouraged to bring false charges in the knowledge that great, and perhaps irreparable, harm would be done to the defendant while their own identity would be concealed.

The committee felt that if a trial resulted in an acquittal, the name of the complainant should be published unless the judge ruled to the contrary. It recommended no change in the rules of evidence in rape cases.

Concerning cross-examination of alleged rape victims as to their sexual experience and proclivities, it felt that such evidence must be relevant in many cases.

Open verdict on 'Foxy' Fowler

An open verdict was recorded at Hastings on Saturday on William ("Foxy") Fowler, aged 52, of Cawley Place, Barry, South Glamorgan, who escaped five times from prisons, including Dartmoor and Parkhurst, in the 1950s and 1960s and whose body was found in a wood at Fairlight, near Hastings, on August 24.

He had extensive head injuries. The inquest was told that he could have fallen down an eight-foot slope and hit his head on a rock.

Dead ducks

Post mortem examinations are to be carried out today at the RSPCA hospital in Putney, London, to establish whether more than 40 ducks, found dead in the Thames between Hampton Court and Kingston Bridge since last Friday, were killed by disease or pollution.

Boy murder charge

A man, aged 20, is to appear at Liverpool magistrates' court this morning charged with the murder of John Anthony Noon, aged 12, of City Road, Walton, who was found strangled in a park last Friday.

...llision may delay oil

...Staff Reporter
...en

...production from the Auk ...n the North Sea, may be ...l because of a collision ...n a supply boat and the ...platform in bad visibi...Friday. The damage to ...el structure is being in...ted by engineers who ...mmediately flown out by ...erators, Shell-Esso. All ...s not involved in repairs have been taken off the platform.

Development will be delayed, but it is not yet known for how long or whether the oil production target for the last quarter of this year will be affected.

The accident occurred as the supply vessel, Stad Sea, was approaching the platform in calm conditions but with visibility below 50 yards. No one was injured.

Romania forced into industrial spying because E Europe unwilling to share its knowledge

From Our Correspondent
Oslo, Aug 31

The spy ring uncovered by the defection of Mr Virgil Tipanut, Third Secretary of the Romanian Embassy in Oslo, operated in large areas of Western Europe.

Forty agents named by Mr Tipanut, included spies in Britain, West Germany, Denmark, Sweden and Norway. The main aim was industrial and technological information.

Mr Tipanut defected on June 16, about a week after a Romanian specialist, studying at the Trondheim Technical College under the exchange arrangements of the Romanian-Norwegian cultural agreement, was arrested.

Last week the student, Mr Titus Petrila, aged 32, who was on an advanced mathematics course, confessed that he belonged to the spy ring with the job of recruiting people likely to rise to important positions.

News of the defection and the spy ring was given yesterday by the Oslo newspaper *Aftenposten*. Several Romanian diplomats have quietly left Scandinavia since the defection, and the Romanian Embassy in Oslo is now manned by the Chargé d'Affaires. The rest of the accredited staff have left the country.

The information gathered by the Norwegian authorities has been passed on to the countries concerned. According to the newspaper, Mr Tipanut and his family have been granted asylum in a European country.

In Norway, industrial and technological research results were top priority for the agents, military information being regarded as of less importance.

Afterposten says that the Romanian intelligence and espionage system in Western Europe has been disrupted. The naming of the 40 key agents will, it is believed, lead to a further uncovering of the network in the countries concerned. Further inquiries may show that the spy ring was operating in other countries.

It is interesting that Romania has had to indulge in widespread industrial espionage to keep abreast of technological developments. It indicates that the other East European countries are unwilling to share their knowledge with the "odd man out" in the East European block.

An odd thing is that the results of Mr Petrila's research were to have been published later, and would have been available free of charge. However, it is believed that his real job was to build up a network of contacts which could be used in the future.

Mr Petrila's arrest brings into question the whole system of exchange of scientific workers. Earlier this year a Russian, who came to Norway under the same exchange system, disappeared and returned to the Soviet Union in mysterious circumstances. He has not returned, although his work was not completed.

Oslo, Aug 31.—Mr Kaare Frisvold, a Norwegian industrial leader, yesterday called for stricter security measures to counter industrial espionage. He is chairman of the Society for Industrial Protection, and said there should be closer co-operation between Norway's intelligence service and industry.

Admiral José Pinheiro de Azevedo, the new Prime Minister of Portugal.

Cars burnt by Basque protesters

From Our Correspondent
Madrid, Aug 31

A wave of demonstrations protesting at the death sentences on two Basque separatists in connexion with the killing of a policeman hit the Basque country over the weekend.

In the harbour district of San Sebastian, four cars were burnt last night. In Algorta, a suburb of Bilbao, an estimated 1,000 people turned out for a 20-minute demonstration. They were dispersed by the police. Earlier, about 800 people had set fire to the Spanish flag in a square. In Vitoria 1,000 people are reported to have demonstrated.

The police fired into the air to scatter demonstrators in Elibar, near San Sebastian. On the main road to San Sebastian masked youths poured petrol on to the road and set it on fire. A car was set on fire at Santurce, on the outskirts of Bilbao.

Lawyers for Señor José Antonio Garmendia and Señor Angel Otaegui have appealed against the death sentences. The appeal is expected to be heard this week before the Supreme Military Court.

Bird hunters of Italy go on shooting regardless

From Our Correspondent
Rome, Aug 31

One vast barrage of gunfire rose up from Italy at dawn today as huntsmen, impervious to the criticisms of the rest of Europe, joyously celebrated the opening of the shooting season for migratory birds.

Theoretically this should be the last year of the traditional and virtually indiscriminate massacre of 200 million thrushes, quails, larks, finches and migratory or indigenous birds. A new hunting law supposed to afford greater protection to wild life is now being debated.

But as Italy's two million licensed hunters—seven to every square kilometre of hunting land—prepared for the kill, wildlife societies protested that the law would do nothing to improve the situation. Among other changes, it actually lengthens the hunting season.

Signor Arturo Osio, the secretary-general of the Italian branch of the World Wildlife Fund, said that the Bill takes no notice of the EEC committee's recommendations on birds, which Italy has never ratified, much less the advice of scientists and the protests of Italian and foreign nature protection societies.

It preserves the right of hunters to hunt over virtually any private land, and ruin farmers' crops. It permits netting of birds, prescribes laughable punishment for infractions and makes no serious attempt to provide adequate policing, he said.

The law, which should have been approved by last July, has been held up by objections from the nature societies and by the extremely powerful hunting and firearms lobbies.

One considerable psychological obstacle to a stricter control is the fact that hunting is the pastime of ordinary people, rather than an upper class pursuit, as in Britain. Forty per cent of licensed hunters are workers, another 40 per cent clerks, artisans or pensioners.

Bishop is held hostage by drugged man

From Our Correspondent
Rome, Aug 31

The Bishop of Prato, near Florence, and five other people were held hostage for half an hour yesterday by a man brandishing an air pistol. The man was later found to be under the influence of drugs.

Waving a pistol and shouting, the man appeared in the bishop's antechamber. When the bishop came in to see what was happening, the intruder cried: "Do not move or I will kill all of you".

A priest succeeded in slipping into an office and called the police.

'Dead island' strike today arouses fears in Corsica

From Our Own Correspondent
Paris, Aug 31

Corsicans are awaiting with some apprehension the outcome of the "general strike" and demonstration due to take place tomorrow afternoon at Ghisonaccia, near Aleria.

They are regarded as a test of the mood of the island as a whole and are bound to arouse some strong feelings because Ghisonaccia was the scene of the violence a week ago when police stormed autonomists holding out in a cellar and one separatist was killed and several wounded. The strike, intended to create an *isola morta* (dead island), is supported by a wide cross-section of trades union and professional organizations, notably farmers and hotel-keepers, but not by the Communist Party or by the CGT, its trade union extension.

But barring always unpredictable explosions of Corsican sentiment, there should be no repetition of the violence of the past 10 days. The Government, by appointing a new prefect and taking a deliberately conciliatory line, has done much to lower the temperature. Both in Ajaccio and Bastia the atmosphere today was quiet and relaxed and police were discreet in their presence.

Windhoek decisions on Namibia crucial for Vorster détente

From Nicholas Ashford
Windhoek, Aug 31

An extraordinary conference opens in Windhoek's historic *Turnhall* (drill hall) tomorrow, which is of even greater importance for South Africa's détente exercise than last week's Rhodesian settlement talks at the Victoria Falls. After decades of dispute, an attempt is finally being made to resolve the future of Namibia (South-West Africa).

Whether the constitutional conference, which has already been denounced abroad as being unrepresentative of the majority of the people of Namibia, succeeds in finding a formula that is acceptable to the United Nations and the Organization of African Unity (OAU) remains to be seen. Many people would doubt it; but Mr Vorster, the South African Prime Minister, is aware that a satisfactory solution to the future of this sprawling, under-populated and mineral-rich territory is imperative if détente is to succeed.

The series of talks which are about to begin are likely to be protracted and could initially prove to be somewhat chaotic. More than 100 delegates are expected—no one seems to know exactly how many—representing the territory's 10 main ethnic groups—Ovambos, whites, Damaras, Kavangos, Hereros, Namas, Coloureds, Caprivians, Bushmen and Rehoboth Basters.

They will be seated as groups round an oval table in alphabetical order and, to add to the confusion, there will be no less than seven official conference languages.

This conference—or, more likely, a subsequent one—must eventually decide whether Namibia's future should be as a single, unitary independent state or as a loose federation in which the various groups would maintain their separate identities and where the whites presumably would remain the dominant force.

The United Nations, which regards South Africa as being in illegal occupation of Namibia, supports the principle that the country should remain a single unitary state. So does the OAU, the South-West Africa People's Organization (Swapo), the Namibian National Convention (NNC), and the influential black Lutheran and Anglican churches.

The whites and most of the tribal leaders seem to favour a federal solution, perhaps involving an independent Ovamboland. So too does the South African Government despite its insistence that the peoples of South-West Africa alone and no one else must decide their own destiny.

It is the ethnic basis of the forthcoming conference which has led many people both inside and outside the territory to dismiss it as a sham. Many of the groups' leaders are tribal appointees, and even where elections have taken place as in Ovamboland, the results have been bitterly disputed. Furthermore, there is to be no participation, at least for the moment, by political organizations such as Swapo and the NNC, nor will South Africa agree to United Nations supervision of the conference.

There can be little doubt that the Pretoria Government, which became the mandatory power in 1920, has tended to build on South-West Africa's ethnic differences rather than trying to minimize them. However, it is a country of unique complexity and, even with the best will in the world, it would still remain the most difficult of all the decolonization problems which have arisen in Africa.

There is concern among the smaller groups about the possibility of Ovambo-Swapo domination. The Ovambo account for more than half the country's 750,000 African population and would be in a majority in a legislature elected on the basis of one man, one vote.

Swapo remains the key to the success or failure of the constitutional talks. The United Nations, the OAU and African heads of state have repeatedly stated that a Namidian solution cannot exclude Swapo; and this fact cannot be overlooked by Mr Vorster despite his personal distaste for the organization and in particular its exiled leader, Mr Sam Nujoma.

Recently there have been signs that both the South African Government and Swapo are looking for a face-saving formula that could eventually lead to Swapo participation in constitutional talks. Independent observers here believe that if an understanding could be reached between South Africa and Swapo there would be a good chance of eventually finding an acceptable solution to the Namibian problem.

Egypt says Sinai agreement is imminent

From Paul Martin
Alexandria, Aug 31

Egypt today predicted imminent agreement with Israel on a new Sinai accord after President Sadat's acceptance of American proposals to solve the remaining disputed issues.

Earlier, Dr Kissinger, United States Secretary of State, had returned to Israel with the Egyptian answer which came after the most hectic 48 hours of diplomacy in his latest shuttle.

"If Israel agrees then there should be agreement", Mr Tahsin Bashir, the presidential spokesman said. "In this event the initialling may not be in days but in hours. All depends on the reply of the Israelis to what Dr Kissinger has taken with him."

During today's sessions between President Sadat and Dr Kissinger, most of the remaining technical issues were agreed upon.

Mr Bashir said that the main part of the American proposals concerned the status and number of the American technical team to man the Giddi-Mitla listening posts. The rest were fine details about the military annexe to the main agreement which would cover the technicalities of disengagement of forces.

This optimistic prediction by the Egyptians came after Dr Kissinger's sixth shuttle between Jerusalem and Alexandria in his exhaustive mission. Although agreement between the two sides had been expected to be announced about this time, the issues upon which President Sadat and Dr Kissinger agreed today had posed the remaining obstacles to its initialling.

Clearly the focus of attention is now on Israel where the Cabinet is to meet tomorrow to consider whether to accept the agreement as it now stands. However, Egyptian officials close to the talks expressed for the first time an unreservedly optimistic view that this time things would not face more last minute hitches.

Before Dr Kissinger began his talks with President Sadat today, the Egyptian leader betrayed the strain of the protracted negotiations. For the first time since the shuttle began, Mr Sadat let slip the impatience which he had been feeling at the tough and sometimes uncompromising stand of the Israelis.

This became obvious when he replied to a question whether the Israelis had raised any last-minute issues. "They are always raising hell, as you say in America", Mr Sadat said. He reiterated that so far as Egypt was concerned there remained nothing in the way of agreement.

On board the Kissinger aircraft it was made clear that the outstanding points were such that they must be settled "in the next 36 hours, if not they never will be", a senior American official said.

Among the remaining points in dispute were the number of troops to be stationed in the limited forces areas on either side of the buffer zone. Egypt had insisted that, because of the lengthening of this zone, the number should be increased from 7,000 to 12,000 and the number of tanks and artillery pieces should also be increased.

Agreement had still to be reached on the question of the surface-to-air missile sites near the defence lines of both sides. Egypt argued that it should be allowed sites on the canal to protect its canal towns.

Faces in Trafalgar Square during yesterday's Jewish protest against the admission of Palestinians to a conference in Britain.

Police divert Arabs from Jews' rally

By a Staff Reporter

A confrontation between Jewish and Arab demonstrators was avoided in London yesterday when police diverted a peaceful column of some 1,500 Arabs from Trafalgar Square, where about the same number of British Jews were gathered.

The Jews were protesting against the admission to Britain of three members of the Palestine National Council for this week's meeting of the 70-nation Inter-Parliamentary Union (IPU). The Arabs were, equally vociferously, welcoming the Palestinian delegates, who will attend the meeting as observers.

After a lunchtime meeting in Hyde Park and the delivery to Downing Street of a petition demanding Britain's recognition of the Palestine Liberation Organization (PLO), the Arabs came up against a police cordon across Whitehall. They were diverted down Horse Guards Avenue to the Embankment.

The Jews, some of whom had travelled from Leeds, Liverpool and other northern cities, remained in Trafalgar Square. After listening to leaders of British Jewry and MPs they backed a resolution condemning the IPU for inviting the Palestinians and calling on the Home Secretary to reconsider the entry permits granted to "official spokesmen of the PLO terrorist organization". This was later delivered to the Home Office.

The main theme of the Trafalgar Square speakers was that the PLO formed part and parcel, as Lord Janner, president of the Zionist Federation, put it, of a system of terrorism which was threatening the fabric of civilization. To grant its representatives any sign of respectability or legality was compared by Mr Raymond Fletcher, the Labour MP, to the appeasement of Nazis in the 1930s.

Dr Rhodes Boyson, the Conservative MP, was among those who linked the PLO with the Irish Republican Army. "The invitation of the PLO to London is an invitation for terrorism to walk naked through the streets", he said.

The decision to invite the Palestinians was taken by a majority vote of the IPU last year, with the British delegation opposing.

UN session in search of Third World cooperation

From Frank Vogl
United States Economic Correspondent
Washington, Aug 31

The United States, ... by most of the main ... countries, will attem... seventh special sessio... United Nations to ... developing countries ... best interests will be ... economic cooperatio... than through the ... damaging and danger... of action that they ar... determined to follow.

With Dr Henry Kis... Secretary of State, ... the Middle East, the ... position is being given ... in a speech by M... Moynihan, America's ... Representative at th... Nations. Dr Kissinge... ceding his promin... officials say he w... major speech to ... impact at the outs... session.

The resolution adop... General Assembly ... which will be at th... the seventh special ... debates in the next ... "a declaration and p... of action for the est... of a new internationa... order".

The developing co... demanding internatio... ments that will regu... commodity prices a... price increases in ... rises in the price o... tured goods in indus... tries. Aware of the ... countries' need to ... support on a host of ... nal political issues, th... ing states are ... greatly increased co... aid from the ... countries.

The developing co... to some extent by th... producing states of ... East, will outline the... in considerable det... special session.

The response from ... trial countries will ... positive one than a... special session, with ... States, in particular ... more conciliatory lin... ing cooperation ... developing countries ... lish a "new econom... and offering some c... proposals.

The challenge f... industrial nations is ... they are unlikely to ... success. The develo... tries view the confer... opportunity to red... they consider to be ... tices of a world eco... tem that has enable... states to get richer, ... poor become poorer.

Encouraged by the ... the oil-producing co... Third World has ov... two years come to ... creased sense of its ... and influence, acc... American officials.

The developing co... out on a confronta... with the industrial ... the sixth special sessi... and May last year ... General Assembly, le... dent Boumedienne ... adopted a declarati... face of opposition by ... trial countries. The ... gave countries the ... nationalize companie... compensation and ca... countries that produc... ities to form the sa... cartels as the Organ... Petroleum Exporting ... Third World ready ...

Greek officers warned on 'nostalgia' for dictators

From Mario Modiano
Athens, Aug 31

Mr Karamanlis, the Greek Prime Minister, has urged the Army to remember Portugal and repudiate those who are still nursing dictatorial ideas.

He was reviewing government policies in two speeches in northern Greece, after the decision to commute the death sentences on the three junta leaders. This act of clemency prompted misgivings that the Government still doubted the loyalty of the armed forces.

Addressing 850 army officers in the northern city of Drama after the conclusion of a military exercise, Mr Karamanlis said that the transition from dictatorship to democracy in Greece had been acknowledged internationally as a "political miracle".

This could only be appreciated in comparison with developments in Portugal, Argentina, Thailand, and even Vietnam and Cambodia where dictatorship was succeeded by anarchy or communism.

"This must be kept in mind by those who out of self-interest or stupidity are still secretly nostalgic for a regime which had humiliated Greece and exposed her to mortal dangers".

This is the first time that the Government has admitted that there are still active supporters of the deposed junta in the armed forces.

Mr Karamanlis said that remnants of the deposed dictatorship were trying to breed anxiety among the officers by magnifying certain "social disorders such as strikes and demonstrations" which were customary in democracies. There was no cause for concern. The Government knew how to keep them under control.

He appreciated that officers had been led into supporting the dictatorship because of the confusion which had then prevailed: "There is no longer any confusion now. We know full well the disastrous effect of that regime", he said.

There had been a crisis over retribution in the sentences passed on the junta leaders. "Some said the penalties were inadequate, others considered them too heavy. The Government follows a policy of moderation".

The Government is clearly sensitive to the widespread concern that it will not be long before the junta leaders are reprieved. He stated: "When we talk about life imprisonment, we mean life imprisonment".

The dictatorial regime had neglected the nations' defences. "Enough to say that in seven years of military rule they spent £150m on arms compared with £170m spent by us in the past year for this purpose."

Greece had regained international respect after the end of the dictatorship. "This is particularly important because it coincides with a period of dangerous tension in Greek-Turkish relations."

He saw little progress in the efforts to settle Greek-Turkish differences, not only because of Turkish intransigence but also because of the abnormal situation in Turkey "In these circumstances were are obliged, without provoking, to reinforce our defence and remain vigilant."

In a speech marking the inauguration of the Salonika trade fair last night he outlined a new five-year plan. He also urged the Opposition to help the Government in the present critical circumstances.

Junta torture trial man sobs relating his training

From Our Correspondent
Athens, Aug 31

Horrifying details about the training of Greek military policemen for the requirements of the dictatorial regime have been disclosed at the Athens court martial trial of 31 officers and privates accused of torturing political prisoners.

The men began yesterday entering pleas in their own defence. Corporal George Kambanas, who served at the military police station in Piraeus, turned state's evidence. He said: "When I joined the Army years ago I was a happy man and a healthy athlete. Today my soul is poisoned, my health is broken and I am a social outcast."

He sobbed as he described how he had been trained to be a "worthy military policeman".

"They made us eat our bootlaces and forced us to explain how tasty they were. They dumped us out of the window like garbage sacks, they beat us with belts and led us on our knees before the regime's monument to take an oath of loyalty to the revolution. At night the beatings continued in the dormitories.

"After three hours' sleep we were made to get up for another session of beating and guard duty. It was like a jungle. We were made to eat breakfast jumping up and down. During the daily drill they gave us misleading commands to have an excuse to beat us and break our morale. They forced us to drive lorries while we were blindfolded. They made us dig the earth with our teeth, then carry stones in our mouth like dogs."

Corporal Kambanas said that his commander, Colonel Diamandopoulos, had ordered him to torture political prisoners. "I beat them out of fear for my own life."

Eavesdropping by American security agency reported

From Our Own Correspondent
Washington, Aug 31

All overseas telecommunications with the United States are subject to computerized eavesdropping for intelligence purposes by the National Security Agency (NSA), *The New York Times* and *Newsweek* magazine reported today.

The magazine added that domestic communications, including all telephone calls carried by microwave radio circuits, also were subject to monitoring.

The NSA, under Pentagon jurisdiction, is one of the most secretive organizations within the Government. It conducts cryptographic and electronic intelligence with the most up to date equipment; but of all the components of the "intelligence community" under congressional scrutiny in Washington, it is the one so far to have resisted most and divulged the least.

The newspaper accounts are hardly news. A system that monitors car radiophones in the Kremlin and underwater communications obviously faces little difficulty in microwave transmissions.

The news lies in the method reported and suspicion of the evasion of laws designed to control the more archaic telephone tapping.

Callaghan re... to executive on 'manoeu...

By Our Political Staff

Rather than de... Government, the ... executive of the Lab... is ready "to leap ... bandwagon that happ... conveniently rolling ... cording to Mr James C...

The Foreign and ... wealth Secretary ... criticism in a sectio... Labour Party's annu... published yesterday, ... with action taken on r... passed by the party c... last year.

Dealing with the ... protesting against Bri... ticipation in "South ... naval manoeuvres", ... that as the executiv... from his comments at ... he does not accept ... of the resolution. The... no "South Africa... oeuvres", and the Go... was about to anno... review of the Si... agreement

In brief

Second flight to Mars delayed

Cape Canaveral, Florida, Aug 31.—Radio trouble which delayed the launching of the first Viking spacecraft mission to Mars has caused a postponement of the second due to have taken place tomorrow.

The first lift-off to Mars was 11 days ago.

Bobby Fischer's suit

Los Angeles, Aug 31.—Bobby Fischer, the former world chess champion, has filed a $20m (about £10m) suit for invasion of privacy against the writer and publishers of an unauthorized biography about him.

Mr Callaghan for UN

Mr James Callaghan, the Secretary of State for Foreign and Commonwealth Affairs, will attend this week's special session of the United Nations General Assembly.

Everest climb begins

Katmandu, Aug 31.—The British expedition attempting to climb the south-west face of Everest, set up its base camp at 17,000ft on August 22 below the Khumbu icefall and has begun climbing.

Naval inspection

Tokyo, Aug 31.—Admiral Hiroichi Samejima of the Japanese Maritime Self-Defence Force will visit Britain, Italy, Turkey and Thailand in September to inspect navy facilities.

Nine die in plane

Gambell, Alaska, Aug 31.—Nine people were killed and 17 were injured yesterday when an F27 aircraft belonging to Air Alaska crashed while preparing to land at Gambell airport.

Balloon pioneer

Buenos Aires, Aug 31.—Brigadier General Angel Mario Zuloaga, the first man to cross the Andes Mountains in a balloon in 1916, has died in Buenos Aires at the age of 90.

Illegal passengers

Paris, Aug 31.—Motorists carrying children on the front seat will be liable to fines ranging from 40 to 80 francs (£4.4 to £8.8) under a new Government decree.

Tory leader's visit

Bucharest, Aug 31.—Mrs Margaret Thatcher the British Conservative Party leader, arrived here today for a visit at the invitation of the National Council of the Socialist Unity Front.

Flood kills 20

Delhi, Aug 31.—More than 20 people were drowned yesterday when a small boat carrying them capsized in the flooded Rapti river in Uttar Pradesh.

Five children drown

Canberra, Aug 31.—Five children drowned today when a car in which they were sitting rolled down a slope at a picnic site into a lake.

Nigerian regime takes over key newspapers

Lagos, Aug 31.—The new Nigerian military Government today took control of the country's largest independent newspaper and magazine publishing group.

It is to acquire a 60 per cent holding in the Daily Times of Nigeria, which publishes the largest circulation morning and Sunday newspapers, the *Daily Times* and *Sunday Times*, as well as eight other newspapers and magazines and four yearbooks and directories.

An official announcement also said that the federal Government had taken over the *New Nigerian* newspaper which was previously controlled and run by six northern states.

The *Daily Times* and the *New Nigerian* are generally considered Nigeria's most influential and best produced daily newspapers.—A.P.

FNLA advances to within nine miles of Luanda

Panguila, outside Luanda, Aug 31.—Angolan National Liberation Front (FNLA) troops today advanced to within nine miles of Luanda, the Angolan capital, held by the rival Angolan People's Liberation Movement (MPLA).

From the hills around the small village of Panguila FNLA troops could look down on Luanda. Bernard Loth an Agence France-Presse correspondent with the FNLA reported that they could see clearly outlined the petrol refinery on the outskirts of the capital, a sure target for the FNLA artillery once the advance has proceeded only a few more kilometres.

But as the FNLA drives forward under the direct command of their leader, Mr Holden Roberto, the troops are meeting increasingly tough resistance. Yesterday the MPLA defenders pounded the attacking forces with 120mm rocket fire but their aim was inaccurate and they were unable to hold up the the FNLA spearhead.

Heavy clouds of smoke hung over the battle-zone which, as it advances, destroys everything in its path. Whole villages are in flames.

The battle was still raging in the early hours of this morning for an important bridge on the approaches to the capital. FNLA soldiers were fighting to seize the bridge before engineers of the MPLA could destroy it.

Meanwhile, Pierre Cayrol, the Agence France-Presse correspondent in Luanda, said Portuguese military sources there were denying that the FNLA advance suggested necessarily that an attack on the capital was imminent. "In this sector of the fighting", the sources said, "the battle has been back and forth between the two armies for weeks."

Certainly there were no signs in the capital of panic before the rapid FNLA approach.

In Luanda the war has brought the economy to its knees. Factories are at a standstill, the port is apparently blocked and trade disrupted.
Agence France-Presse.

Factional clashes kill 24 in Lebanese town

Beirut, Aug 31.—The town of Zahle was quiet but tense today after five days of factional violence in which at least 24 people died.

Six people, including two Syrians, were killed by scattered shooting during the night, but a ceasefire arranged last night seemed to be generally holding today. An earlier ceasefire on Friday was broken.

The violence between Muslim and Christian political factions had begun as a dispute over a pinball machine in a bar. Extra security forces have been sent into the area to keep the two sides apart.

Mr Rashid Karami, the Prime Minister, told reporters last night that he was astonished that people had not learnt the lesson from three rounds of bloody factional fighting in Beirut earlier this year.—Reuter.

Ford salute to 'sacrifices' of unemployed

From Our Own Correspondent
Washington, Aug 31

President Ford, spending the Labour weekend at Camp David, today sounded a new note of compassion for the unemployed.

His official message to working people, saluted their sacrifices and willingness to support reasonable policies which "have pulled us through rough periods in the past" and which provided "inspiration and encouragement in this difficult time".

In much the same vein yesterday, he said at a trade union rally: "Labour Day is no holiday for those who are out of work". He attended the rally while making election campaign visits to Maine and Rhode Island.

Mr Ford is evidently increasingly sensitive to criticism from union leaders and Democrats that he is "callous" towards the unemployed, and more interested in favouring big business.

He also claimed in speeches and television interviews that the economic recession was a thing of the past.

Briton drops out of junior world chess tournament

Tjentiste, Yugoslavia, Aug 31.—Only three players remained with a chance of winning the world junior chess championship here after last night's twelfth and penultimate round.

They were Valery Chekhov, of the Soviet Union, Larry Christiansen, thrice United States junior champion, and Kuligowski of Poland.

Chekhov and Christiansen adjourned their vital game with the American in the better position, having a queen against two rooks, but the outcome was still not clear cut.

Kuligowski played well and beat Yugoslavia's Dragan Barlov, but his chances of overall victory were slimmer than those of Chekhov and Christiansen.

Jonathan Mestel, of England, last year's world cadet champion, dropped out of the running when he could only manage a draw against Inkiov of Bulgaria.

Leading standings after 12 rounds: Chekhov 8½ (one adjourned), Kuligowski 8½, Christiansen 8 (one adjourned), Mestel and Inkiov 8.

Meanwhile, in the eighth round of the Milan international chess tournament Anatoly Karpov, the Soviet world champion, drew with Bent Larssen of Denmark.

Standings after the eighth round: Karpov and Portisch 5½, Tal, Petrosian and Smejkal 5, Ljubojevic and Browne 4½ (one adjourned), Unzicker 4½, Larssen and Andersson 4, Gligoric 3½, Mariotti 2.—Reuter.

Peru's coup carried out with precision

From Jane Monahan
Lima, Aug 31

"The revolution that bids you farewell is the same one that welcomed you a few day ago". General Francisco Morales Bermudez, Peru's new President, told delegates at the closing ceremony of the fifth ministerial conference of non-aligned countries.

Few ministers attending the conference expected it to be opened by one President, General Juan Velasco, and closed by another within one week. The coup on Friday ousting General Velasco involved no apparent violence. The streets remained calm, no airports were closed: and unlike most other Latin American coups, Peru's was an example not of chaos but of military precision.

Ministers were also assured by General Morales' speech. He emphasized that Peru would remain an active member of the non-aligned movement. He also declared that the ideological bases of Peru's revolution would not alter, but forecast changes in its "construction".

The former Prime Minister was speaking shortly after changes in the junta. General Oscar Vargas Prieto, a former Chief of Staff and close friend of General Morales, took over his posts as Prime Minister and Minister of War and is also the new head of the Army. Rear Admiral Jorge Parodi became the head of the Navy, replacing Rear Admiral Galvez Velarde; and General Cesar Podesta Jimenez was appointed as head of the Air Force.

The change did not indicate a shift either to the right or to the left of the political spectrum. It suggests that the new head of the government is determined to stick to the rules of the armed forces.

Under the military constitution established in October, 1968, a new President must be sworn in by the three-man junta; but so long as General Morales remained Prime Minister and Army Head, this was impossible—it would have meant that he was swearing in himself. The change therefore gave a touch of legality to an otherwise illicit coup.

Bees in crash sting rescuers

Ankara, Aug 31.—Thousands of bees hindered police, soldiers and firemen called to an accident in which a lorry carrying beehives overturned near Erzurum, eastern Turkey, yesterday.

The driver and his mate, injured in the crash, and two policemen were treated in hospital for stings. Four masked beekeepers later loaded the 115 hives, containing seven

Cyprus atrocities inquiry starts

From Our Correspondent
Nicosia, Aug 31

A delegation of five jurists of the European Commission of Human Rights, led by Mr J. E. Fawcett of Britain, arrived in Cyprus today to investigate Government allegations of mass murders, rapes and other violations of human rights by Turkish troops in the part of the island occupied by them.

The investigation will be carried out despite strong objections by Turkey.

The Cyprus Government made a first application to the European Commission of Human Rights last September, and followed this up with a second application containing further allegations in March this year.

The Cyprus Government's allegations against Turkey were published in a report by the Human Rights Commission last May, after the rejection of the Turkish Government's objections.

The report referred to:

Murders of civilians, including women and old men; repeated rapes and the forced prostitution of Greek Cypriot girls; the forcible eviction of 200,000 Greek Cypriots who are still prevented by the Turkish Army from returning to their homes and properties in the Turkish-occupied part of Cyprus;

The seizure of Greek Cypriot homes and properties and their distribution to Turkish Cypriots and to "Turks who were illegally brought from Turkey in an attempt to change the demographic pattern in the island"; widespread and continuing looting of Greek-Cypriot properties and the appropriation of agricultural produce, livestock, factories and shops owned by Greek Cypriots;

The arbitrary detention of thousands of Greek Cypriot civilians of all ages and both sexes by the Turkish military authorities under ... conditions; systematic ... of Greek Cypriot detain... inhabitants in the ... occupied areas "i... children, women and ... people"; forced labou... the destruction of pr... belonging to Greek C... including religious item... in Greek orthodox ch... forced expatriation of ... Cypriots to Turkey; th... ration of families ... detention and forcible ... tions.

The Cyprus Governme... tended in its applicatio... the aim of the Turkis... ations was "to destro... eradicate the Greek pop... of the Turkish-occupied ... so as to move therein ... thus creating by ... means a Turkish pop... area in furtherance of ... key's policy for the for... of a so-called Turkish C... federated state".

THE ARTS

John Houseman: three strings to his bow

Showbusiness journalism being the bizarre profession that it is, John Houseman is now best known for being the only 70-year-old producer ever to win an Oscar in front of the camera; in fact, however, that Oscar (1973, Best Supporting Actor, *The Paper Chase*) is one of the less remarkable achievements of a man who started out half a century ago as a merchant prince of the grain market, went on to found the Mercury Theatre with Orson Welles, continued to work with Welles on a series of other projects ranging from *The War of the Worlds* to *Citizen Kane* and then, when that partnership soured, produced on his own a dozen Hollywood films of the Fifties (including the Gielgud-Brando *Julius Caesar*) before returning to the theatre where most recently he has directed Henry Fonda's epic solo performance as *Clarence Darrow*. That last production brought Houseman to London this summer, and while he was here he took time out to talk about his next appearance as an actor, which will be in Norman Jewison's *Rollerball*, due to open this month.

"It's a film about the future, say 50 years hence: the world is controlled by the big conglomerates and they invent this rollerball game to give people a vicarious outlet for their violence and hostility. I play the head of the Energy Corporation in Houston, and our team are the world champions—until one of them decides to retire. That's what the film is about: it came from a short story in *Esquire* and when they showed the movie to Senator Mansfield in Washington all he said afterwards was: 'Fifty years ahead? As much as that?'"

John Houseman made his first screen appearance 10 years ago, playing the traitorous admiral in Frankenheimer's *Seven Days in May*: since then, apart from *Rollerball*, there's also been *Three Days of the Condor* ("in which I play a very small part—just the head of the CIA") but it's *The Paper Chase* for which, at any rate in Europe, Houseman is best known:

"James Mason was supposed to play that professor, you know; then he got hung up on another picture and the director, who had been a student of mine, was getting desperate so finally I said OK I'd do it myself. That Oscar was, therefore, more than a little surprising."

John Houseman was born Jacques Haussmann of unmarried parents in Bucharest in September, 1902: his father, who was Jewish-Alsatian, was allowed to marry his mother, a Welsh-Irish lady, three years later by which time the family business had collapsed (not for the first or last time) and their influence had therefore somewhat waned. His childhood veered from affluence to poverty almost annually, as his father dealt or more often misdealt in everything from wheat and cotton to coffee and vegetable oil. But Haussmann was sent to school at Clifton College and spent holidays with his mother in Paris, a kind of commuting which he maintained almost throughout the First World War. Then, on family insistence, he went into the grain business and became at 27 president and managing director of the Oceanic Grain Corporation with a salary of twenty thousand dollars a year plus 5 per cent of the profits. It was enough, more than enough, to earn Haussmann the "merchant prince" title in New York, the only problem being that the year was 1929 and within a few weeks of his appointment came the total collapse of Wall Street in general and his company in particular. It was then that Jacques Haussmann, grain merchant, became John Houseman, playwright.

Not that playwriting proved initially much safer than the grain business; together with his first wife, Zita Johann, Houseman wrote and adapted a number of unsuccessful scripts before discovering almost accidentally that what he really wanted to do was direct. That discovery led him to work with the Federal and Negro Theatre projects in the mid-1930s and then the celebrated voodoo *Macbeth* for which Houseman engaged as director a 23-year-old Orson Welles. Its success led them both to the Mercury Theatre and to a succession of triumphs on both stage and radio which only came to an end when the increasing celebrity and self-confidence of Welles made any partnership with him impossible for Houseman to sustain. By that time *The War of the Worlds* had established (albeit accidentally and misleadingly) the power of radio and *Citizen Kane* had established the power of Welles. The fact that in nearly 40 intervening years Welles and Houseman have seldom spoken may be due in no small part to Houseman's determination to have it publicly established that neither production was the work of Welles alone.

In the war years that followed, Houseman went to work for the *Voice of America* ("there seemed in 1942 no reason why that organization should not be placed under the direction of an enemy alien of Rumanian birth who as such was expressly forbidden by the Department of Justice to go near a short-wave radio set") and later ended up in Hollywood as a staff producer for MGM:

"I know it's fashionable now to decry the studio system but those were good years for me. A producer at that time really was a producer—he hired the director, writer, actors, composer, and the film remained his from first to last. If you stayed with a big studio like MGM, all the talent you needed was there for the asking—as long as you got along with the studio boss and I guess I was lucky with Dore Schary. When we came to do *Julius Caesar* they were nervous of Brando and determined not to be caught financing hick Shakespeare but I knew that if we had a half-English half-American cast it would work out. After all, there's a good political gangster story there."

After *Julius Caesar* came *Executive Suite* and a number of other half-forgotten movies until in 1956 the MGM hierarchy changed and Houseman decided to jump before he could be pushed. He returned to the theatre, to Stratford, Connecticut which he built up as a summer Shakespeare festival and where among the apprentices in his first year he had Peter Bogdanovich, the actor Rene Auberjonois and the BBC television director Michael Lindsay Hogg. From Stratford Houseman went into television for a while, producing one-shot dramas in the Playhouse 90 series and eventually in 1968 came the offer to head the drama department of the Julliard School in New York's Lincoln Centre, a staff job he now combines with his Hollywood acting and Broadway directing careers:

"I've always liked doing two or three jobs at the same time: then if one goes wrong (as they often have) there are always the others to fall back on. I guess its insecurity, the result maybe of that grain business collapsing in '29—I never again want to have all my plans tied to one project. Fear, that's what keeps me going: fear of unemployment, fear of failure, even fear of boredom."

So what next? "Well, there's the autumn season at the Julliard to organize (we have a professional touring company as well as the school) and I might be going to play Churchill in a TV special about the Potsdam Conference. Then I want to do another volume of autobiography [the first, *Run-through* was published here two years ago] about the post-Mercury years. I was going to call it *The Chimes at Midnight* until I discovered that Orson had used that title already for a film. I knew he'd think I stole it. Curious, though, that we should both have arrived at that—considering we haven't even met in 30 years".

Sheridan Morley

Farce in the Berlin bunker

The Dead of Night
Traverse, Edinburgh

Irving Wardle

I had hoped that Stanley Eveling had put the Third Reich behind him with *The Strange Case of Martin Richter*, but here we go again. Out of the basket come all the motheaten properties, and this time it is no mere dabbling with neo-Nazism but straight back to the last days of Hitler.

Actually, I am doing an injustice to Poppy Mitchell, whose traverse set presents a most convincing close-range image of bullet-scarred masonry topped off with a bunker ironically recalling the Auschwitz chimneys. From its air vents, at the author's convenience, there issue blasts of Wagner and chunks of dialogue in the manner of the hollow tree in *Peter Pan*: except that in this case the lost boys are outside and the wicked captain is down below guzzliing cream cakes.

By the time he appears, in the calculatedly puny figure of David Bedard, Hitler is no longer capable of human contact. He squats on top of his concrete sanctuary amid the rumbling gunfire mouthing the kind of megalomaniac rigmarole Mr Eveling thinks appropriate for one in his condition. What action there is passes between the little people: a Polish-German guard and a Russian interpreter who swap cigarettes and discover that the enemy has a human face. There are also a couple of German girls, one popping up out of the bunker with rat soup for the guard and the other a rape victim who decamps with the Russian's trousers.

I suppose the aim is to show farce flourishing among the corpses; and the farcial element does spur into life towards the end when a fanatical Nazi general seeks to escape by dressing as a woman. The image of James Snell in black stockings and slip, his duelling scar painted over, and going beserk for want of a suspender belt briefly lifts the piece into a region of lunatic comedy. But here, as throughout, Mr Eveling seems to be at the mercy of passing ideas. First the general plans to pass as a Jew, then as a woman, then he reverts to type and massacres everyone on stage. Likewise we get Hitler finally climbing into a Red Army uniform and the guard switching between Schweikian stoicism and Teutonic hysteria.

The tone of the comic writing is giggling and voyeuristic; and it is no surprise when the two "human" characters—the guard and the Russian—reveal themselves to be sexual washouts. When, as often happens, the comedy collapses, we are left with the bathetic gestures of pacifist melodrama. My guess is that Mr Eveling has purloined a public subject as disguise for a private play. Mr Snell apart, Mike Ockrent's cast (so good in his production of *Gynt*) play with little conviction, taking refuge behind heavy Italian accents.

LPO/Rostropovich
Usher Hall, Edinburgh

William Mann

Edinburgh people are not slow to complain of alterations to the published syllabus of their festival. There were groans when Mstislav Rostropovich announced that, in his concert with the London Philharmonic Orchestra on Saturday, he would conduct Tchaikovsky's fourth symphony and not the first as announced. I was a little disappointed myself since the first symphony is not often played, is charming, the nearest to an academically correct symphony that Tchaikovsky ever came, and always in need of sympathetic advocacy.

A moment's reflection suggested that Rostropovich, who is known to be working towards a complete cycle of the Tchaikovsky symphonies in his recently found role as orchestral conductor, must have decided that he needed more study before presenting his interpretation to an international festival public, and therefore substituted a symphony which he has already conducted and about which he has plenty interpretatively to say.

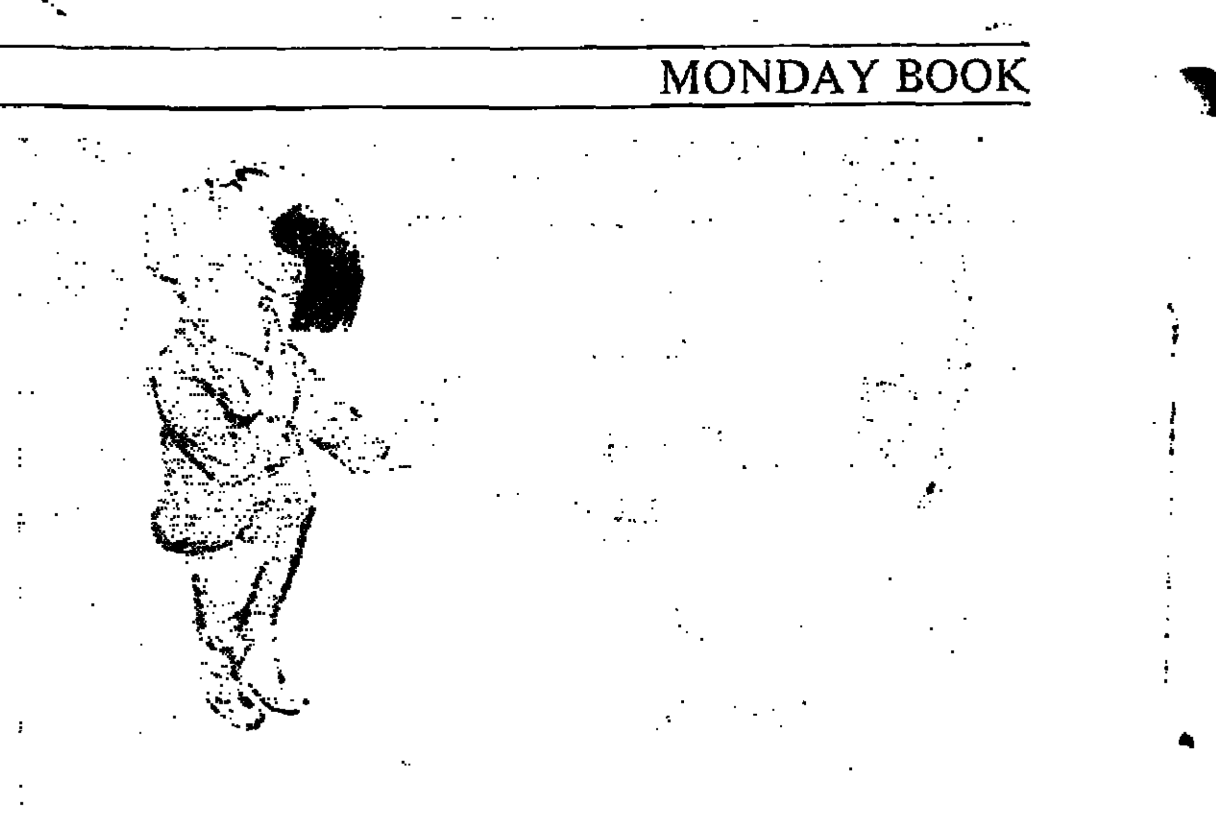
Tchaikovsky 4 was an excellent testimonial for Rostropovich the conductor. He does not pull its proportions apart in the name of expressiveness, observes appreciatively the composer's instructions about speeds and dynamics, and while caring for the letter communicates the spirit of the symphony with all the warmth and urgency in the world. The returns of the Fate theme erupted with Byronic extravagance, yet in proportion and in perfect style—if this was vulgarity, God save us from good taste.

When he pulled up the music momentarily it was not to wring our withers but to articulate quite clearly the phrases in question (there was an eloquent example when the first movement's recapitulation arrived). Articulation throughout was a joy to hear, and attention to delicate nuance, and pouncing attack when relaxation was succeeded by a sudden burst of renewed tension. In all this Rostropovich had the LPO eating out of his hands, responding, enhancing, appreciating, and playing in top form, as they were not always earlier in the week.

Rostropovich's manner as a conductor is sometimes curious to watch, when he looms over the players, flapping enthusiastically with generous gestures that seem to emanate from the hips: he reminded me of a predatory bird in rapacious flight, nurturing his flock, but always on the look-out for something to devour. This is akin to his cello playing, of course: I wonder how he tackles Bach's French overtures or the dampened passions of Shostakovich when he is wielding his baton?

The first half of the concert was given up to Mussorgsky, *The Night on Bald Mountain* equally scrupulous, a whirlwind of glorious sound, fearsome in the diabolical orgy but tenderly dreaming in the daybreak coda. His wife, Galina Vishnevskaya, sang Mussorgsky's *Songs and Dances of Death* with Shostakovich's orchestral transcription of their piano parts. This allows her to project her singing at full, spine-chilling tilt, not only in the grand fireworks of "Field Marshal Death", but in the insinuating suavity of the Serenade. And yet her reading has sounded more complete in recital, with her husband as pianist. Vishenevskaya's vocal mastery was most fully transmitted in her encore, an unaccompanied solo from Rimsky-Korsakov's opera, *The Tsar's Bride*, with grand legato, poignant expression and a thrilling glottal attack—with a commanding stage presence, too, fully erect in her Russian peasant long dress.

MONDAY BOOK



'Mr W. Rothenstein and Mankind' caricature by Max Beerbohm, 1916, and, right, 'Max Beerbohm', drawing by William Rothenstein, 1915

Letters of stylish contrast

Max and Will

Max Beerbohm and William Rothenstein; Their Friendship in Letters.
Edited by Mary M. Lago and Karl Beckson
(John Murray. £5.50)

A selected 130 letters from an extant collection of 221 is here offered as the correspondence between William Rothenstein and Max Beerbohm, from the summer of 1893 to the autumn of 1944, a friendship of 52 years. Considering that for the greater part of this half century both men lived in different countries, the annual ratio of letters exchanged is perhaps not as high as one would expect from men accustomed to letter-writing. The American editors explain that the 91 letters omitted are of "peripheral" interest—mainly invitations, appointments, travel instructions. Mary M. Lago, the main editor, has previously published a selection of letters exchanged between Rothenstein and Tagore, and acknowledgements show hers to be the leading editorial role; Professor Beckson is clearly more her assistant.

The University of Missouri at Columbia gave Mrs Lago three separate grants in 1971, 1972, 1973 and absence of leave in 1974 for her research; Professor Beckson received a grant from the City University of New York for this same purpose, which doubtless contributes to the excellence of the detailed footnotes—all very precise and scholarly. Among many period illustrations are the "notorious" hitherto unpublished *Edwardyssy* set of Beerbohm cartoons.

The 130 letters are presented in two sections. "Dandies & Artists" take one up to Max's marriage to Florence Kahn and their settling down in Rapallo, coincidental with Will's departure for India. "The bolt from the blue" that "flashed down on Oxford in '93" in Max's story "Enoch Soames" was Will, 21 years old, straight from the Slade (after Julian's Academy in Paris), commissioned to draw 24 portraits of Oxford Characters. The worldly Will (who had already met many celebrities) was fascinated by the sophisticated undergraduate, Max with his flair for caricature and his stylish prose. They make a strange contrast in their letters and one can see them then: Max, an elegant, mobile, Will, a dwarfish solidity. Max, sprightly, witty, teasing, drifting effortlessly towards fame, patronized by Shaw, producing his theatre criticism, his prose masterpieces, his beautiful devastating caricatures—the *soigné* darling of the 1890s. Will more career-conscious, applying himself to the foundations of his public eminence. Two young men exchanging shop talk on their way to the top, flinging the choice period names at each other—Shaw, Beardsley, Wilde, Edward Craig, Bennett. Max found time during these years to get himself engaged twice, and to get himself out of both. Will, more sensible a man, got married and started a family. Only one quarrel upset this time of progress: Will was riled by Max's accusations of "pedantry" and "bourgeoisism", Max upset by Will's "chaff" (relayed by Augustus John) about his prose style. However, it was ironed out, and thenceforth nothing was to disturb either so much again.

"The Ex-Arcadians" is inevitably the more interesting section of this correspondence: both had left dizzy youth behind. Will, after India, became Principal of the Royal College of Art, visited New York, was a "war" artist, acquired a knighthood, and wrote *Men and Memories*. Max remained in Rapallo. Will showed perception when he wrote: "You found yourself at once, and never deserted yourself." Equally vivid Will's comment about the Rapallo house: "So small, so perfect, polished and dustless, its works so flawless, hour hand and minute alike so trustworthy." A comment on Beerbohm's work? They visited each other, commented as the years passed on the length of their friendship which eventually one does, from these letters, begin to feel, although Max appears to conceal much of himself from Will who is more generous in revealing his personality. Max also was, in time, knighted, and lived to survive Will.

In her introduction Mrs Lago gives a selection from Max's letters to his future wife (a six year courtship) which reveal rather more of Max than do his letters to Will.

I can only stand life when it is made pleasant for me. Usually, it is made pleasant for me. I have really been rather pampered than otherwise. But I do not like life when it does not offer me something nice every day. And if it ever offered me something not nice I should feel myself much aggrieved.

There is a feeling of disappointment that "A friendship of 52 years", on the evidence of these 130 letters, leaves so many gaps in communication. Not enough letters perhaps for a 52-year friendship?

Kay Dick

Adventures I shall not be watching

Quiller
BBC 1

Leonard Buckley

You never saw such a rum do as we had on Friday, Marjoribanks. At the outset there was such a muddle of Middle East nastiness, bathing beauties, fast cars, more nastiness and rose-red cities half as old as time that I had lost my bearings in the first 30 seconds. I can tell you I was really relieved to see a London taxi. But the relief was only shortlived. I was soon up a gum tree again in Whitehall and thereabouts.

Then there was that chap Moray Watson. I've had my eye on him for years. He was clearly one of ours, even when he was passing himself off on the telly as an artist or the like. Well, it seems he is really a high-up in the Bureau. Don't ask me what that is. They didn't say much about it. Well, you never know who is watching, these days. It is something to do with our security. Watson, with code name Angus, passes on instructions to Quiller, a dynamic young man who is listed in *Radio Times* as Michael Jayston.

Everybody talks to everyone else in cryptic, aggressive phrases. Occasionally guns are fired. Then Angus talks even more cryptically and stuffs a sailing ship into a bottle.

Friday's adventure had something to do with an attempted assassination. But when, halfway through, everybody started explaining what was happening, confusion was worse confounded. "Contact has not been made", Angus said at one point. That went for me too, Angus. That went for me.

There are to be a dozen more of these adventures. I shall not be watching. There was a funeral in the middle of this one. I never did discover whose it was. But I think it was mine.

BBC SO/Kempe
Albert Hall/Radio 3

Joan Chissell

The BBC Symphony Orchestra, bearing the main burden of this season's Proms in 22 concerts, sounded uncommonly pleased on Friday to be working for the second time this week under its imminent chief-conductor-to-be, Rudolf Kempe. Turning up in hundreds and thousands for a popular programme, promenaders were rewarded with some of the most rhythmically buoyant and boldly coloured playing of the summer in Prokofiev's *The Love of Three Oranges* suite at the start, and with an account of Dvorak's "New World" symphony glowing enough to make you fall in love with its familiar strains all over again. Exuberance was achieved without over-driving. In the slow movement your ear was constantly drawn to, and refreshed by, textural underlinings and decorative strands without any suggestion of self-conscious striving effect.

Between the two flanking orchestral works the spotlight fell on Liszt, represented by his deeply-felt variations on Bach's "Weinen, Klagen, Sorgen, Zagen" (written after the death of his daughter, Blandine) and his sparkling first piano concerto, inspired as much by the *diablerie* of Paganini as anything else. Fearlessly contrasting this monster organ's dynamic extremities, Jennifer Bate cleverly conveyed the intellect underpinning emotion in the variation, though without pursuading me, at any rate, that the organ can ever make as much of the message as the piano, for which the work was originally conceived.

The E flat major piano concerto benefited from the advocacy of a compatriot, Tamás Vásáry, unfailingly persuasive in its tender lyricism, and still more in its teasing, glinting exploitation of the upper registers of the keyboard even if he was sometimes inclined to rush his fences at the expense of solidarity in fatter chords and octaves. Here again conductor and soloist had the knack of suggesting that they were discovering new facets of the music on the spot.

Sweet Mr Shakespeare

The combination of the new auditorium at the Open Air Theatre, Regent's Park, and a fine summer brought capacity audiences to see *A Midsummer Night's Dream*, which ended its run on Saturday. A further attraction, for one week only, will be *Sweet Mr Shakespeare, or What the World said about Will*, an entertainment of words and music devised and directed by Richard Digby Day. This opens tonight with a cast including Judi Dench, Daniel Massey, Penelope Keith, Frank Barrie, Philippa Gail and John Humphry.

Some of the notices on this page are reprinted from Saturday's later editions.

New York PO/Boulez
Albert Hall/Radio 3

Stanley Sadie

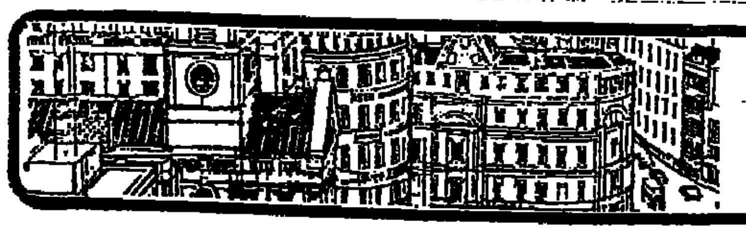
Fresh, if that is the word, from Edinburgh, the New York Philharmonic and Pierre Boulez came to the Proms and drew a full house for fare rather tougher than is traditional for Saturday nights. First was a repeat performance of Elliott Carter's Concerto for Orchestra; I was told afterwards that the orchestra thought that it had gone indifferently well but do not mind admitting that to my ears it sounded both extremely precise and dazzlingly clear.

The orchestra's quality was evident enough in the Carter, and still more so in Mahler 9. Every section shone: the strings most of all in the closing Adagio, with their full and intense tone at every level and their finely sustained lines. The famous brass department produced playing of uncommon bite with a pungent, concentrated sound as opposed to the round quality now widely favoured. In particular there was superlative horn playing, with articulation more rapid and exact than anyone should expect, and perhaps should ask, in the Rondo-Burlesque. The woodwind playing, far from our conventional view of American style, is richly individual, with some outstandingly imaginative playing from the principals, headed by the flautist Julius Baker—I would specially mention the first bassoonist's full, throaty tone and smooth phrasing.

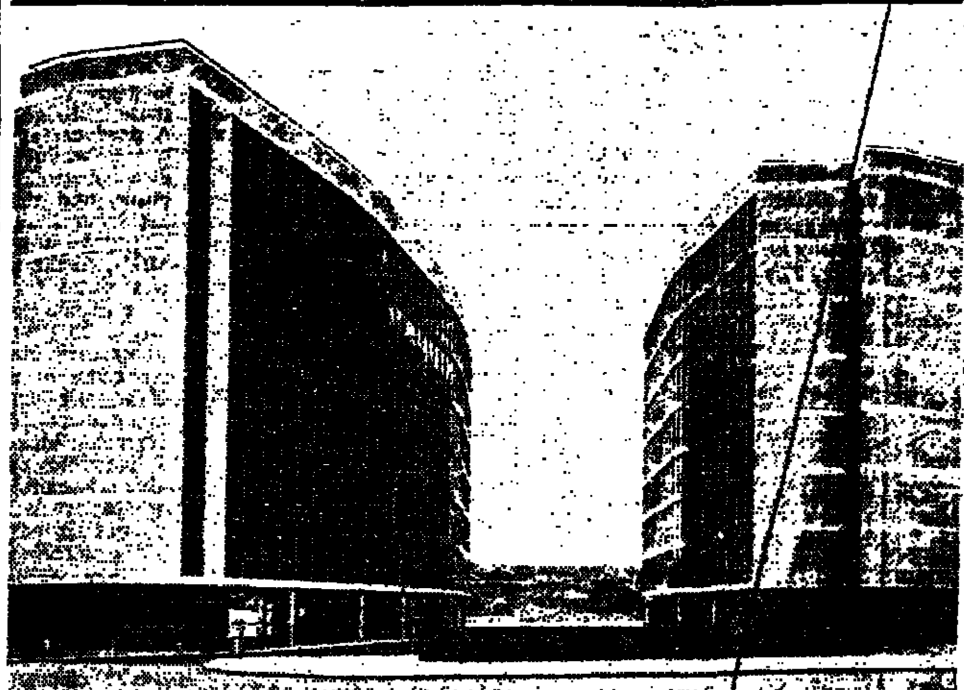
It ought to have been a fine performance of the Mahler. But Boulez has a curious way of taking one through the music in brilliant fashion, yet leaving one untouched, of guiding players, yet never letting them communicate. The performance was a calculated one, which doubtless it needs to be; it was also a heartless one. The turbulent music of the first movement made its effect, but the cause of the turbulence was never manifest. The Ländeer, if incisively articulated, seemed self-conscious and lacking in natural flow; while in the Rondo, however fiercely it is driven, the Burlesque misfires without a basis of emotional feeling. And if the final Adagio cannot be made to sound like the threnody for an era it might be better left unplayed, for a performance with little heart makes its gestures seem shallow.

Ron Moody at Theatre Royal, Stratford

The next production at the Theatre Workshop, Stratford, E, tomorrow will be *Move Along Sideways*, with Ron Moody and Ronnie Cass for a limited season only. Ron Moody, with 45 costume and make-up changes, is in flight from Fagin and describes *Move Along Sideways* as a breaking away from expectations.



Commercial and Industrial Property



Twin office blocks at the Brentfield Development, Stonebridge Park, Wembley.

Property

A gloomy view on offices

Property Agents International presents a gloomy view of the office market in its autumn office directory, just published.

The organization comprising 24 firms from all over Britain, says that except in areas where there is interest in new office accommodation from London-based companies wishing to move, demand is at its lowest level since the last war. Rentals are generally holding up, however, except in London, where there has been a drop of up to a quarter.

The directory says that it is the smaller office suites, up to 5,000 sq ft, which are more readily available, "often because the smaller concerns are ceasing trading". In many areas there are substantial new office blocks still unlet, but they are being taken up, although only slowly in some areas.

No new developments are being started anywhere, and consequently a situation is slowly developing in some areas where only smaller existing office suites will be available. Rental levels for new accommodation, according to the directory, range from £1.75 to £3 in Sheffield, £3.50-£4.75 in Southampton, £3-£3.50 in Bristol and up to £6 in Reading.

The Grosvenor Square Property Co has completed its large new office scheme, the Brentfield Development, at Stonebridge Park, Wembley. The site, of two and a quarter acres, is at the junction of the North Circular Road and the Harrow Road, seven miles from central London. Rail and road communications are good and London airport is close.

The scheme, designed by R. Seifert and Partners consists of two separate crescent-shaped blocks, one of eight storeys and the other of seven. They give a total net floor area of 118,000 sq ft and parking for 250 cars. Both buildings are on stilts, with entrance halls and reception areas on the ground floors. They are suitable for use as a single headquarters building or as separate blocks. Rent is about £7.50 a sq ft and letting is through Jones Lang Wootton. A formal opening is planned for this week.

Grosvenor Square Property holds the site on a long lease from the London Transport Executive and the Thames Water Authority. A further area of about one acre bordering the North Circular Road and owned by the Department of the Environment has been landscaped as part of the general scheme.

On the Continent increasing activity in the Antwerp office market is underlined by two recent lettings by Jones Lang Wootton. IBM has leased 2,000 sq metres in the BP Building, which is at Jan Van Rijswijklaan 162, a 12-storey building completed in 1962. The rent is said to be about 2,000 BF a sq metre. The other letting is at Italielei 122-124, in the centre of the city, where the banking floor on the ground floor has been leased to the Standard and Chartered Bank at a rent of 5,500 BF a sq metre, said to be one of the highest rents ever achieved for that type of unit in Antwerp.

Much farther afield, the Yorkshire General Life Assurance Co, part of the General Accident Group, has completed its large new development in Durban, South Africa. The 19-storey building is in the city centre and contains 15,000 sq ft of shopping, a banking hall of 12,000 sq ft and 76,000 sq ft of offices.

Designed by Ralph P. Hamlin, a local architect, it is to be known as General Building and will be occupied partly by General Accident itself. Much of the remaining space has been taken by South African firms. Letting is through Donaldsons, of London and Johannesburg, the development consultants and project managers, and Russell, Marshall and Stride, of Durban.

In the industrial field in Britain, recent activity has included the preletting of two warehouses on the new Kingsland Trading Estate being built by the Laing Development Co about a mile east of the centre of Bristol. The first phase covers nearly 12 acres of units built to tenants' requirements, and another 18 acres will be developed in further stages.

One prelet unit of 17,500 sq ft has gone to British Steam Specialities and the other, of 8,400 sq ft, to International Auto Safety Centres. A third unit, of 10,800 sq ft, is just becoming available. The estate, Laing's second in the area, is on the site of the old Midland Road railway goods depot, and is being developed on a long ground lease from British Rail. Architects for the scheme are the Alec French Partnership and letting is through King and Co of London, and Lalonde Bros and Parham of Bristol.

Farther north, the first units have been let on a new self-contained trading estate being developed on the former Courtauld site in the Trafford Park industrial complex near Manchester. The scheme is being carried out by Severnside Land Securities, in conjunction with the Norwich Union Insurance Group. The first lettings consist of three units totalling 17,530 sq ft. The 10½-acre estate will eventually contain 23 units ranging from 5,400 sq ft to 15,000 sq ft. Rents are about £1 a sq ft and letting is through King and Co of Manchester, and W. Berry Templeton Ltd, of London.

An opportunity for somebody wanting to get into the leisure market is provided by the granting of planning permission by the Kingswood District Council for a sports and leisure centre on a site of 26 acres at Warmley, to the east of Bristol. The site formerly contained a clay pipe works, but that has been demolished.

It has a frontage to the A420 Bristol to Chippenham road and facilities included in the planning consent are a shop, catering facilities, sauna baths and squash courts. About £50,000 is being asked through John German and Son, of Burton-upon-Trent. Offers for participation in its development would also be considered. Included in the price is an additional 10 acres of land let on an agricultural tenancy.

Gerald Ely

Profile

...ebecca West
...tic in ...etual ...on

...ioness of our time still holds ...way from Kensington Gore. ...ivory-mounted, dark brown ... now assists locomotion. A ...ectacles hung round her neck ...after-effects of a successful ...ration. An increase in the ... of conversation renders the ...erfluous. She can still hear ...to hear.

... handsome face mirrors all ... the striking brown eyes ... flash fire. Her mind is as ...ntly active as ever, a daunting ...ng cross between a bulldozer, ...aedia Britannica, a computer-... bank and the literary muse. ...he decades have brought her ...om the halcyon days of Blatch-...n and the brave new world to ...re the First World War:

...'t live 82 years in the world ...ng disillusioned. You really ...ect anybody young at any time ...hings would become quite as ... they are on this globe. I was ...e that the Socialist Party would ...particular crisis that we are ... I'm only surprised it hasn't ... viciously before. I am one of ...ple that you are likely to meet ...Victor Grayson, the famous lost ... disappeared. I heard him speak ...w why people missed him so ...e was no really dynamic person ... fill his place till Nye Bevan. ...ragedy is that Nye Bevan died ... I don't know how old he'd be ...m sure he could still be alive ..., though it would be doubtful ... was a Labour Prime Minister ...s time a Conservative Prime ...e might have developed either

...I was with the New Statesman ...w Freewoman and the Fabian ...realized these were all middle ...le. There was a band across ...or something to join with the ...ns, but I have never in my life ... true affiliation between the ...ass socialists and the trade ... the present row was bound to ...It is the same continuing crisis ...within the party in 1931. I don't ...an quite bridge it. You have a ... in the social worker. It is a ...orld and a very important one. ...k that will veer off in its sym-...wards the middle classes."

...id the disillusion set in? Prob-... thirties when she fell out with ... Martin: "The New Statesman, ...say so immodestly, got through ...tish intellectual classes, particu-...heir youth, because it had such ... book section. It had very, very ...ary editors with contributions of ...st merit. But there was no sort ...of wall in the middle of the

...ple who read the literary side ...political part and it was most of ... It got into everybody's home. ... you came to the war of 1939, ...Kingsley Martin had been crying ... the Nazis and saying how dis-...they were and how disgraceful ...d liking for the Nazis felt by the ...s. Then when war was declared ...e monstrously alarmed. He then ...p pacifism and it became sud-...graceful to fight and it was a ...g to be a conscientious objector. ...nscientious objector has to have ...ience considered and respected, ... not to be recommended as a ...ho is behaving better than any-... if you have been called out for ...nd indeed years for a just war. ...e gave an aspect of frivolity. He ...ofessional revolutionary. He was ...m day to day and it was a bad

...fe has encompassed the whole ...he Russian revolution. She hates ...pting influence it has had on the ... which was her early ideal: "The ...evolution has been a great mis-...because the problem of socialism ... clearly envisaged in England it ...s to work it out. More important ...n Lenin was Keir Hardie—much ...portant. It would be much better ...a if the idea of socialism all over ... had not intrigued and enchanted ...ed them.

...been quite disgusting that sym-...d interest in the Russian revolu-... corrupted a great many people ...ng them into professional revolu-... They say 'it's lovely in Russia, ...d'. They spend their life jaunting ...eing lionized by the revolution-...s countries. It's a very bad thing. ...rages perjury and lack of interest ...wn socialism.

...n't really mind people being ... but most of the people who say ... Marxists are not Marxists. They ...rough idea, which they couldn't ...t all, that there is a solution for ...roblem which is contained, they ...nd, in something called Marxism. ...'ve never had time to look into ...gation. It's just another rainbow, ...xism.

...real danger is not the Agitprops, ...they're in a minority. The real ... in the people who only have ...of these things that they have ... They would almost die for some-...ey don't understand and it's a very ...ng attitude. Das Kapital is a dreary ...xcept for that chapter of wild ...for the achievements of the ...sie."

...ange of experience and friendship ...ree-quarters of a century is ex-...ng. Almost any casual reference ...ing a flood of reminiscence. So ...of the marvellous person she is ... from her earliest background:

...the first things I can remember ... time of Queen Victoria's diamond ... My father was a professional ... and we were pretty army con-... We lived in a little Regency house ...eatham and Indian troops were ...d down there for the diamond ... I remember looking up at dark ... People used to bend over me with ...talk, officers with lovely diamond ... in their turbans.

... father and mother were old to ...uch a young child. I belong to the ...when colour prejudice, particularly ...ards Asiatics at any rate, was con-sidered very vulgar, and it has affected me ever since. When I come across race prejudice it is funny. I don't think 'how wrong these people are', I think rather 'oh! Mr Jones is speaking badly of negroes as negroes.' I always thought he was a little common.'

"I suppose I have lived through the time when change has been quicker than any other—I can't think of any other."

She is so fascinated and absorbed by everything and everyone around her that she seems to have acquired the secret of intellectual perpetual motion. She is immensely kind to younger people, whom she encourages and finds endless time for. Her only sadness comes when she thinks of the growing list of friends and contemporaries who can no longer join her Sunday salon. "I was deeply fond of Charles Curran. I was deeply fond of John Gunter, but I don't think they were very clever people. I've been fond of a very great many people. Louis Namier was very good to me. Ruth Lewinsky was somebody who was accomplished in all knowledge of artistic things. She was a student of architecture, of painting, of music and she was a wonderful person to be in contact with.

"Donald McLachlan had a special meaning for me. He seemed to me a man you had to sit by and listen to patiently, because half of what he said was pure fantasy of a rather boring kind, the rest was pure gold. Harold Ross of the New Yorker treated one as someone that might blossom at any time and ought to have the best attention, which was very nice. He did help one to realize one's intentions, not ambitions, that's something different.

"I had great admiration for a man who was standing on the battlements expecting to be shot down at any moment, and was shot down. I had a great affection for Jan Masaryk, whom I knew very well. He was perfectly aware not only that he would one day fall out of the window: he also knew that if he had been thrown out it would be denied, which is worse than fearing you are going to be thrown out of a window. I would think, and he stood it very well."

Dame Rebecca also provides a living link between the suffragette movement of Edwardian times and the women's liberation agitation of today. She does not diminish the problem, but she knows which set of militants she prefers: "I was very much interested in what Dora Russell says in her biography—she is about a year younger than I am. She says that the remarkable thing as she looks back on the suffragettes was that they were such beautiful women and so elegant. Mrs Pankhurst, for example, had a most wonderful taste in dress and was a beautiful, little woman. Christabel Pankhurst was wonderful, she could have been a ballet dancer, she was actually a very good dancer at school. I believe. Mary Calthrop was very pretty. They were rather a chocolate box ideal all of them. It was only out of hatred for the suffragettes that people made them seem ugly.

"It wasn't a women's movement in the sense that they rebelled against the conception of women. They said we still have a right to be free and to have the vote. The women's movement, as I knew it in the time of the suffragettes, said yes, we want the vote, we want the right to earn our livings with equal pay, but I don't think their political attitudes would differ from the past.

"The Women's Lib people now have a tendency to get mixed up with politics as applicable to both sexes. The women's lib movement is too much affected, particularly in America, by Marxism. I found it difficult to read Kate Millett because I feel you want to argue with her on Marxism the whole time. She is not pure liberation. There is certainly a place for the women's movement, because the very existence of the problem and its severity means that the cause is never won. Women are always being put back in their place.

"No Women's Lib people have ever shown the slightest interest in me. I have a Women's Lib button given to me by a very gifted woman writer in America, called Nancy Milford, who wrote a wonderful life of Zelda Fitzgerald, the wife of Scott Fitzgerald. She is an ardent Women's Libber because of an experience she had at her children's school. Her little girl had had very odd treatment shown to her by a teacher who seemed to have been very unjust. She had been rather hostile to Nancy when she went there and she said to the teacher, 'I think you have a personality problem'. The teacher replied, 'Oh, it is not me who has the personality problem. When we find that a mother is stepping out of the feminine role we all just know where to look. It is your child that has the personality problem.' Nancy said, 'Well, how have I done that?' The teacher replied: 'You are writing a book aren't you?'

"I am not in favour of the Sex Discrimination Act. It will just make the real anti-feminists snap down earlier and fix things so they never have to employ women at all. I wouldn't trust the male not to fudge that problem. You have really to make people feel that it is profitable to employ women, because people may hate women but they love money and if they make plenty of profits out of employing women, they will be moved. They also ought to be made to feel that they will be unpopular if they don't employ women."

Feminist, novelist, historian, what a dazzling record of achievement it is. But it is as a critic that she remains most active. You cannot name a single writer she has not read, and few she has not met. Her judgments are as trenchant as ever and cover a whole century of literature. "I don't think Shaw had many ideas, I think it has been a great pity. He was a superb craftsman and wrote very amusing plays, but he made people feel they were being dazzlingly original. Shaw gave people a feeling that they were working out a new philosophy and they weren't. It is as if Voltaire had had only his beautiful method of writing and the mockery but without any opinions.

"I felt a very special thing about somebody I didn't know at all well. I was very sad when Joseph Conrad died. I used to meet him at the house of Cunningham-Grahame and he seemed to me a man of very, very great integrity, which showed in his writing. It is very odd that people don't realize how often he wrote badly because he was writing in a foreign language, but still the intention survives.

"Hemingway gave tension to English prose. He enabled people to say that life was exciting and electric. He was a far greater man than Scott Fitzgerald. The Great Gatsby is based on an assumption that a great many people will be living a very idle life and I can't think why America is so interested in it. Tender is the Night is a better book.

"John Steinbeck had great narrative ability. If you go back a generation, if you look at forgotten writers like George Washington Cable, who wrote about southern life, how much more important were the issues they dealt with. John O'Hara was terribly able but very repetitive and did not have a very pleasant outlook. John dos Passos was a man who was inflamed by a desire to understand and he hardly had time to discipline himself to the ordinary controls of art. If you wanted to know what earnest people in America were thinking there's nobody as good. They all lived such foolish lives, they were not good company, they all drank too much, which was a terrible bore.

"I never appreciated T. S. Eliot. I don't see that great religious poetry can be written in the tone of somebody rebuking somebody for not being interested in religion because, after all, the mass of people are interested in religion, even today. I should think the atheists, who are quite certain there is no God, represent a very, very small sect. You can't get a great literature dealing with serious things if there isn't a sort of choir of serious people, who are readers. You must have a common understanding round you that there are serious things. This air of rebuking people for not being serious is not a writer's business, it is a Malcolm Muggeridge business.

"There is such a lot of work neglected. There was a woman who wrote thrillers, called Phyllis Paul. I don't know what happened to her. She wrote exquisitely with beautiful pictures of London and cities in her books and curious intimations. She was outside the cliques and nobody read her and she has passed away.

"The truth is that literature has very much been spoilt by being politicised. There is no doubt that left-wing writers are felt to be something in the mood. It seems to me a most peculiar heresy that you are told a left-wing government is the natural thing for England. Well, it's not, is it, on the figures? In the same way there is a whole generation grown up of reviewers who pick up a book and if it isn't left-wing they think there's something a little wrong with it, it is something outside. That goes for young writers, if they are not committed writers. Any amount of good novelists are not recognized for that reason.

"There is any amount of good biography, though curiously enough the best selling ones I don't think much of. I thought the Julian Bell book on Virginia Woolf was very poor. Michael Holroyd's Augustus John I thought a dull book on what is really rather a dull subject, he wasn't a very amusing man I thought. Brian Fothergill wrote a remarkable biography of Sir William Hamilton. There's Antonia and her mother and a fascinating book by Wilfrid Blount on G. F. Watts' The Painted Hope.

"I get very little pleasure out of Graham Greene, it seems to me bogus. I am rather bored with Iris Murdoch. I do like Muriel Spark very much. Isn't it curious how the springs of French literature have dried up? I'm not an admirer of Gunther Grass. Solzhenitzyn is extraordinarily good, I thought his short stories were quite remarkable.

"I don't like John Osborne. I don't like Beckett. Edward Albee is pretentious stuff, rubbish. Arthur Miller is ghastly. What humbug Death of a Salesman is. I do dislike a bleeding heart. I like Tennessee Williams's stories better than I like his plays.

"I don't feel there's anybody writing novels who is as good as Pinter in one style or Ayckbourn in another. I don't find myself absolutely rejoicing in anybody's dialogue in a novel, as I do over The Caretaker or Absurd Person Singular.

Brian Connell

SPORT

Golf

A great day in the Irish Open for those named Christy O'Connor

The name of Christy O'Connor went down as the winner of yet another Carrolls tournament at Woodbrook yesterday. However, it was not the man who has dominated Irish golf for more than two decades. It was young Christy, aged 27, who won the Irish Open championship, a feat his uncle has so far not been able to achieve.

O'Connor junior, with a final round of 70 for a total of 275, won the £5,000 first prize by one stroke from Harry Bannerman, who was in contention until the last green. Bannerman colected £2,750 and another Irishman, Eamonn Darcy, shared third place on 279 with Peter Butler. They won £1,500 each and Tony Jacklin, with his best performance of the year, took fifth place and £1,000.

Almost as soon as O'Connor had holed the winning putt, a bomb warning sent players, spectators and press scattering for the safety of the 18th fairway while the clubhouse and tented village underwent a lengthy search. It proved to be a hoax. O'Connor's performance gave him particular pleasure because "many of my professional colleagues thought I was not a good choice for the Ryder Cup. This has proved them wrong".

He makes his first appearance in the Ryder Cup in three weeks time. He was also delighted when his uncle, who had previously won £500 for hole in one at the 17th

Christy O'Connor sen: hole in one.

(141 yards), was waiting for him beside the 18th green with a bottle of champagne. O'Connor is only the third Irishman to win his native open title, revived for the first time since 1953.

Bannerman, who had been suffering from back trouble and has been in the wilderness for some years almost did not play in the tournament. He had to play in a qualifying round at Elm Park on Tuesday and survived a sudden death play-off at the first extra hole. He made up two of the three shots by which he trailed O'Connor overnight and at one stage in the first half was in the lead. But later putts refused to drop.

Jacklin also threatened to win at one stage. He went out in 34 but slumped when he missed a short putt at the 10th and then played a poor chip to the next hole. "I lost my concentration", he said.

Leading scores

275: C. O'Connor, jr, 66, 70, 69, 70. 276: H. Bannerman, 69, 69, 70, 68. 279: E. Darcy, 69, 71, 72, 67; P. J. Butler, 72, 66, 70, 71. 280: A. Jacklin, 74, 66, 69, 71. 281: D. Hayes, 74, 68, 71, 68; G. L. Hunt, 72, 72, 68, 69. 282: J. Newton, 72, 71, 70, 69; I. F. Stanley (Australia), 69, 66, 74, 73. 283: R. A. Shearer (Australia), 74, 69, 73, 67. 284: D. Ingram, 71, 72, 70, 71; B. Gallacher, 71, 72, 70, 71; J. C. Snead (US), 69, 73, 70, 72. 285: P. Elson, 71, 72, 72, 70; L. P. Tupling, 75, 66, 71, 70; D. Jones, 71, 70, 73, 71; T. Watson (US), 73, 71, 70, 71. 286: J. Kinsella, 69, 71, 77, 69; C. R. DeFoy, 75, 72, 70, 69; R. Ginder (US), 71, 71, 74, 70; P. Dawson, 73, 70, 72, 71; J. O'Leary, 76, 71, 68, 71; B. Dassu (Italy), 68, 71, 74, 73; J. McTear, 72, 71, 70, 73. 287: F. Polland, 69, 73, 74, 71; H. Baiocchi, 72, 72, 71, 72; D. I. Vaughan, 71, 71, 71, 74. 288: J. Burrek (US), 71, 72, 77, 68; S. Ballesteros (Spain), 74, 72, 71, 71; C. O'Connor Sr, 70, 72, 68, 71; W. T. Milne, 69, 71, 72, 76.

Rugby Union

Australia pick Berne despite his injury

Sydney, Aug 31.—John Berne, who suffered a depressed fracture of the cheekbone a week ago, was one of 30 players announced today by the Australian selectors for the tour of the British Isles which opens on October 29.

Berne was one of few minor surprises in the party, which met with general praise from rugby circles here.

He is likely to miss another two weeks, but should then be fit enough to take his place in practice games. Berne, who can play at either stand-off half or centre, was injured in a head-to-head clash with a rival from Queensland in a trial match.

In the section of the team which probably gave them the biggest problems, the second row, the selectors chose Glen Eisenhauser, of New South Wales. His representative career until now has been restricted to the strong country team, but he is noted for steady loose play and ability in the line-outs.

Another position which posed problems was at full back. But the sudden rise to prominence in recent weeks by Michael Fitzgerald, aged 20, supplied an admirable solution. Fitzgerald, who plays for the same club as John Hipwell, is the only specialist full back, but Paul McLean and James Hindmarsh are capable substitutes.

The selectors' faith in proven players is emphasized in that only seven members of the party have yet to represent Australia. They are Berne, Batch, Eisenhauser, Fitzgerald, Pearse, McKid and Hillhouse.

Notable omissions include Robertson and Osborne, both wingers, Dunworth, an international reserve this season, and Cocks, who was reinstated to the Australian team for the second match against Japan in Brisbane. Only three wingers, Monaghan, Ryan and Batch, have been selected.

AUSTRALIAN PARTY: P. Batch, J. Berne, C. Carberry, G. Cornelson, G. Eisenhauser, S. Finnane, M. Fitzgerald, R. Graham, R. Hauser, D. Hillhouse, J. Hindmarsh, J. Hipwell (captain), P. Horton, J. Lambie, D. l'Estrange, M. Loane, S. MacDougall, W. McKid, P. McLean, B. Mansfield, J. Meadows, L. Monaghan, G. Pearse, R. Price, J. Ryan, A. Shaw, G. Shaw, R. Smith, J. Weatherstone, K. Wright.

Show jumping

Newbery keeps Welsh event in west

By Pamela Macgregor-Morris

Tony Newbery and Snaffles kept the Welsh Jumping Derby in the West Country yesterday. Sponsored by Radio Rentals and held at the Broome family's show at Mount Ballan, Crick, near Chepstow, the event attracted 67 starters and occupied three hours.

Snaffles, who was runner-up to Paul Darragh and the Irish horse, Pele, for the British Jumping Derby at Hickstead two weeks earlier, jumped two beautifully judged clear rounds.

The runner-up here, with the only other clear round in the first circuit, was Marion Mould with Dunlynne. The winner of both the British Jumping Derby and of the Hamburg Jumping Derby—of which she was the first ever woman winner—on Stroller, the amazing pony on whom she won an Olympic silver medal in 1968, she retired after having the first fence down in the decider.

Stage-managed with a band, and with Douglas Bunn arriving by helicopter, this competition was a great success on its second running. The course of 13 fences, which produced three clear rounds last year, is unlike the Hickstead prototype in that the biggest hazards come towards the end, begun by the stile at No 10, the Devil's Dyke at 11, and the Derby Bank at 12, and the last fence is a wall. But the most prevalent penalty area was the double of dry ditches, surmounted by parallels, at No 4, where David Broome was eliminated with Sportsman after three refusals at the second element.

All who know the Broome family will know too that they would never school their horses over the course that lies in the field behind their home, with its imposing backdrop of Caldicot Castle. For those who do not know the family, the performance they put up yesterday would provide proof.

Ted Edgar made two mistakes on Everest Jumbo and was eliminated on his new brown German mare, Everest M'Lady. His wife, the former Elizabeth Broome, did best of all, with three faults for a run out at the vertical poles after the bank, which put her equal third on Everest May Day.

RESULT: Radio Rentals Welsh Jumping Derby: 1, T. Newbery's Snaffles; 2, Mrs D. Mould's Dunlynne; 3, Mrs T. Edgar's Everest May Day; ... A. Fenwick's Owen Gregory; ... Express ... T. Mears's ...; ... Walk; 3, W. Jenkins's Prince's ...

Swimming

Brinkley gets no rest after records

Brian Brinkley, the British captain who injected excitement into the national swimming championships at Coventry, had little time to celebrate after breaking Bobby McGregor's eight-year-old 100 metres free-style record on Saturday.

Brinkley had to return to work as a trainee baths manager in Bedford by 8 am yesterday after his 52.30sec swim which took 1.1sec off the oldest British record in the books. Brinkley had earlier won the 200 metres individual medley, the 200 and 400 metres free-style and the 100 and 200 metres butterfly, the last only 30 minutes before his record breaking swim. In addition he took gold and bronze medals in the relay events for his club, Modernian.

MEN: 100 metres free-style: 1, B. Brinkley (Modernian), 52.30sec; 2, P. Rose (Hartlepool), 55.18; 3, P. Hare (Amphibians), 55.24. 200 metres breaststroke: 1, B. O'Brien (Coventry), 2min 31.02sec; equal 2, D. Leigh (Sheffield City), J. Naylor (Canada B), 2:31.22. 200 metres butterfly: 1, B. Brinkley (Modernian), 2:5.68; 2, G. Hewitt (Warrender), 2:8.50; 3, I. McPherson (Canada B), 2:9.07. 400 metres individual medley: 1, J. Carter (Paisley), 4:38.06; 2, A. McClatchey (Warrender), 4:38.53; 3, R. Madge (Canada B), 4:41.10.

WOMEN: 100 metres free-style: 1, D. Hill (Portsmouth Northsea), 1:01.21; 2, S. Barnard (Beckenham), 1:01.28; 3, E. Wright (Newcastle), 1:01.42. 100 metres butterfly: 1, H. Boivin (Canada B), 1:5.22; 2, A. Adams (Cardiff), 1:5.28; 3, S. Jenner (Ruislip and Northwood), 1:5.70. 200 metres free-style: 1, W. Lee (Canada B), 2:9.58; 2, S. Barnard (Beckenham), 2:11.13; 3, S. Allen (Canada B), 2:12.55.

Brisbane, Aug 31.—Sonya Gray, a double Commonwealth Games gold medal winner, may have to rest from swimming after a recurrence of appendix trouble at the Australian winter championships here today.

Women's hockey

England show signs of restoring confidence

By Joyce Whitehead

The women's world hockey championships got off to a good start in Edinburgh on Saturday. In spite of a wet night the pitch at Meadowbank for the opening ceremony and match was in beautiful condition. Following a display by the Scottish country dance society in traditional dress and a welcome display by 400 young Scottish schoolgirls the tournament was officially opened.

Scotland beat Canada 5—0. This opening match started tentatively, but by half time Elaine Graham had given Scotland a 2—0 lead. The Canadians played hard but were slow, and in the second half conceded three more goals to Marietta Craigie, Rae Nicholson and Elaine Graham who scored her third by converting the second penalty stroke of the match. It was an enjoyable game with some good hockey by Scotland.

The scene then turned to the University playing field at Peffermill where seven matches were played. Ireland beat Austria 7—2. After Austria had taken an early lead the Irish were stung into activity, and by halftime goals had been scored by Jennifer Given and Ann O'Rourke (two) and Gwen Doherty had converted a penalty stroke. In the second half still thirsting after goals, the same three players gave a repeat performance.

England beat Malaysia 7—0. On an adjacent pitch England played only as well as the Malaysians would let them in the first half, and the captain, Anita White, scored the only goal. But after the interval Ann Whitworth and Janet Jurischka and Margaret Souyave each scored twice, and the team looked to have regained their former confidence.

Wales beat Jamaica 5—0. The Jamaicans found their neat, attractive play was no match for the goal-hungry Welsh. They, like the Malaysians and Canadians, needed the extra second to get in position, and this they were denied. Judith Evans and Helen Davies scored in each half and Shirley Morgan converted a penalty stroke.

Argentina beat Bermuda 5—0. They got going early, and scored four goals in the first half, Veronica Alfonso (two), Barbara Scally and Aurora Taylor. Adriana Ruper added the fifth. The interesting point, here, is that all five were from corners.

The Netherlands managed only a 4—0 win against Trinidad and Tobago. Toos Bax scored from two penalty corners and Marlies Jensen added the second in the first half. Connre Nessen-Heijnis was the only one able to get through in the second half.

Belgium 7, Denmark 0. Nicole Ohn, Brigitte Morren (2), Katon Koujoudjinsky, Brigitte Molle and Francine Stoupel scored against the country whose total number of clubs is less than 10.

Lastly, New Zealand beat Great Britain and Ireland Under 23 by 4—2. This was a brave effort by the young team. The speed was tremendous, and the New Zealanders showed great skill, especially C. Duske on the left wing.

Today's matches. 1.30, Japan v Zambia; 2.0, Great Britain and Ireland Under-23 v India, Malaysia v United States; 2.30, Austria v Netherlands; 3.0, Australia v Spain, Belgium v Scotland; 3.30, Canada v Denmark, Ireland v Trinidad and Tobago.

Basketball

Asian officials give Taiwan's place to China

Seoul, Aug 30.—The Asian Basketball Confederation (ABC) have admitted China and expelled Taiwan, the confederation's secretary, General Cho Dong-Je, officially announced here today.

The decision was made by postal votes taken from the 18 executive board members. Of those, 12 voted in favour of China's entry, four against and two abstained, the official said. China applied for the ABC membership on August 2.

The ABC decision followed the ruling by the international basketball federation who admitted China last year at the expense of Taiwan. It is now certain that China will participate in the next ABC championship scheduled for Bangkok in November, the ABC official said.—Agence France Presse.

British driver shares lead

Hockenheim, West Germany, Aug 31.—Martin Raymond, of Britain, driving a Chevron B31, won the second leg of the European two-litre sports car championship here today.

The West German TOJ-BMW driver, Joerg Obermoser, who won the first leg at Brands Hatch, looked certain to win today's 168-mile race until he was forced to retire with engine trouble. He and Raymond now share the lead in the championship table with 20 points each.

RESULTS: 1, Raymond (GB), Chevron B31, 1hr 30min 29.3sec, av speed 111.3 mph; 2, P. Weller (Switzerland), TOJ, 1:33.28.0; 3, A. Stubbs (GB), March 75S, 1:34.27.4.

Rowing

British show the world how to organize with precision

By Jim Railton

East Germany predictably emerged again as the world's leading rowing nation at the conclusion of the first world championships for men's heavyweight events on Nottingham's Holme Pierrepont course on Saturday. The East German haul was five gold, two silver and a bronze medal in the eight rowing events. The East Germans, too, regained the "Blue Riband" of the sport—the eights title—and took the coxed pairs, but surrendered the singles and double sculls and the coxed fours.

The British team indicated that they were on course for the 1976 Montreal Olympics regatta with a bronze in the double sculls and with three other crews gaining places in the finals—coxed fours (fourth), coxless fours (fourth), and quadruple sculls (sixth). A new nation to emerge was Ireland with their first medal in international rowing through Sean Drea, who took the silver in the single sculls, and the Irish coxed four—all Dublin policemen—won the petite final with a time which would have given them a place in the final, which they missed narrowly.

While the East Germans might have expected a defeat of their 1974 world champion coxed four by the Soviet Union's new "Polar Bear" crew, powered along by the 1974 world coxed pair champions, Eshinov and Ivanov, their second disaster of the day (which occurs whenever East Germany do not win a gold) came in the second final—the double sculls.

The finalists in this race were East Germany, Norway, Britain, Czechoslovakia, West Germany and the Russian Olympic champions. The new East German combination from Rostock and Berlin, Dreifke and Bertow, who deposed their compatriot 1974 world champions in this event, seemed to set the seal on this race gaining clear water in the first 500 metres.

Britain's 1974 world bronze medal winners, Baillieu and Hart, however, might have sent their supporters into deep panic, but they have cried "wolf" too often in the past and are always expected to arrive late. The British double trailed the field at 500 metres and at the halfway stage were almost two lengths and a half behind the East Germans.

The Norwegian Hansen brothers, who have been knocking on the golden door for some years, stuck like a leech to the tail of the East German boat. Approaching 1,300 metres, the British, too, began to move, taking within 200 metres the Russians, West Germans and Czechoslovaks, and now the scene was set for the gold, silver and bronze hunt.

The East Germans tried desperately to shake off the Norwegians, but they hung on tenaciously and in the last 100 metres began a final surge, which the East Germans could not hold off, to gain the gold and the most popular win of the day. Baillieu and Hart can be well content with their third place—their third successive bronze in the European and world championships.

Drea, the unfortunate favourite for the single sculls, led for almost 800 metres, closely escorted by Kolbe (West Germany) and Ibarra (Argentina). But the Irishman's gold aspirations stopped there. Despite Drea overrating Kolbe, he was beginning to slip back as if he was sculling through treacle. Kolbe struck once, shortly before the 1,000 metres, and with 500 metres to go opened up daylight between himself and Drea.

Drea was not going to come back and the Irishman's anxieties were now focused on the young East German, Martin Winter, closing dangerously on the inside lane. Kolbe crossed the line just clear of Drea with Winter within one-third of a length of the Irishman.

Last year the English-speaking countries for the first time in the history of the championships occupied the first three places in the eights (United States, Britain, New Zealand). On Saturday only the plucky New Zealanders stopped a total Communist revenge, edging Czechoslovakia out of the bronze by 0.28sec with the East Germans taking the gold and the new Russian eight finishing a frustrated second for the fourth time in the championships.

The East Germans made a fantastic start (almost a suspicious one) and cleared the field at 1,500 metres. The pack began their hunt too late. The Russians pounced in the last 500, but were almost a length short of their prey. New Zealand, second and almost level, at 500 metres slipped back to fourth place with 500 metres to go but their last, long, brave attack brought them a bronze. The holders, United States, finished a disappointing fifth.

Perhaps there is some disappointment in the British camp with two fourth places in the coxed and coxless fours. The British coxed four did not get off too well—the field were started on the fourth attempt—and chased for the rest of the race.

The British were fourth halfway and then came within one-third of a length of the bronze and the West Germans. But in this final the Russian "Polar Bears" severely mauled the 1974 East German world champions.

The British coxless four were the most disappointing of the day from a domestic point of view. Fifth and already three lengths down on the East Germans at 1,000 metres, the British engine, with a pedigree of four 1974 world silver medal winners, simply did not kick and finished an unsatisfactory fourth, five lengths short of gold, with the bronze a distant two lengths away.

The rest of the championships was a recurring theme of East German successes with no one to stop the likes of the 1974 world champion Landvoigt twins in the coxless pairs, or the "perfect machine", the coxless four from Dresden.

Undoubtedly Britain's greatest success in the championships was their organization of them—an extremely demanding exercise. It was without question the best championships held and a model for future events. John Garton and his wide-ranging team are to be congratulated. It was almost as if they arranged the timing of the weather, too. The rain came in spectacular fashion half an hour after the last race.

Coxed Fours
PETITE FINAL: 1, Ireland, 6min 44.78sec; 2, New Zealand, 6min 46.26sec; 3, Canada, 6min 50.43sec.
GRAND FINAL: 1, USSR, 6min 32.40sec; 2, East Germany, 6min 36.47sec; 3, West Germany, 6min 40.93sec; 4, Britain, 6min 41.96sec.

Double Sculls
PETITE FINAL: 1, J. Valtchev and E. Stoianov (Bulgaria), 6min 47.77sec; 2, F. Biondi and S. Ferrini (Italy), 6min 48.75sec; 3, C. Imbert and J. M. Izart (France), 6min 49.32sec.
GRAND FINAL: 1, F. Hansen and A. J. Hansen (Norway), 6min 34.45sec; 2, J. Dreifke and J. Bertow (East Germany), 6min 35.10sec; 3, C. Baillieu and M. Hart (Britain), 6min 39.61sec.

Coxless Pairs
PETITE FINAL: 1, G. Koleznik and N. Kurmakov (USSR), 7min 11.87sec; 2, A. Manson and R. Bergen (Canada), 7min 15sec; 3, Z. Celent and D. Mrduljas (Yugoslavia), 7min 17.47sec.
GRAND FINAL: 1, B. Landvoigt and J. Landvoigt (East Germany), 7min 6.40sec; 2, G. Goulrguiev and N. Simov (Bulgaria), 7min 10.81sec; 3, J. Van der Horst and W. Boeschoten (Netherlands), 7min 11.42sec.

Single Sculls
PETITE FINAL: 1, U. Wolf (Austria), 7min 26.41sec; 2, H. Svensson (Sweden), 7min 30.95sec; 3, J. Dietz (US), 7min 35.60sec.
GRAND FINAL: 1, P-M. Kolbe (West Germany), 7min 10.05sec; 2, S. Drea (Ireland), 7min 12.30sec; 3, M. Winter (East Germany), 7min 13.83sec.

Coxed Pairs
PETITE FINAL: 1, S. Mlins, M. Bulorac and cox S. Bulesic (Yugoslavia), 7min 29.58sec; 2, K. Rosbaek, M. Juul Rasmussen and cox S. V. Hansen (Denmark), 7min 30.71sec; 3, S. Tudor, P. Ceapura and cox L. Lowrenski (Romania), 7min 33.22sec.
GRAND FINAL: 1, J. Lucke, W. Gunkel and cox B. Fritsch (East Germany), 7min 16.24sec; 2, R. Stadniuk, G. Sledlak and cox R. Kubiak (Poland), 7min 19.43sec; 3, T. Hitzbleck, K. Jager and cox H. Hocke (West Germany), 7min 20.15sec.

Coxless Fours
PETITE FINAL: 1, US, 6min 30...sec; 2, Italy, 6min 33.57sec; 3, Belgium, 6min 31.81sec.
GRAND FINAL: 1, East Germany, 6min 13.81sec; 2, USSR, 6min 15.85sec; 3, Romania, 6min 21.00sec; 4, Britain, 6min 20.21sec.

Quadruple Sculls
PETITE FINAL: 1, West Germany, 6min 8.73sec; 2, Denmark, 6min 9.81sec; 3, New Zealand, 6min 10.39sec.
GRAND FINAL: 1, East Germany, 5min 57.44sec; 2, Czechoslovakia, 6min 0.17sec; 3, USSR, 6min 0.51sec.

Eights
PETITE FINAL: 1, West Germany, 5min 52.26sec; 2, Canada, 5min 54.25sec; 3, Britain, 5min 56.41sec.
GRAND FINAL: 1, East Germany, 5min 39.01sec; 2, USSR, 5min 41.34sec; 3, New Zealand, 5min 43.61sec.

SPORT

Cricket

Timing of Australia's win is left in Chappell's hands

By John Woodcock
Cricket Correspondent

For the time being England are back where they were after Edgbaston. In the fourth Test match at the Oval, with another three days to go, they trail Australia by 363 runs with only two first innings wickets standing.

To put it another way, the luck seems for the moment to have run out on Tony Greig. Having lost the toss England had two scorching days on which to bowl; and when, on Saturday, it was their turn to bat, conditions were more conducive to bowling. Under grey skies, and between delays and interruptions, England lost eight wickets for 153 runs in as poor a display as any in the year.

The timing of Australia's win depends now upon the weather and what Ian Chappell decides to do about the follow-on. Psychologically there is everything to be said for his getting England in again at the first opportunity. Tactically, too, it would be perfectly safe, there being no chance now of an Australian defeat. In search, though, of an even more crushing victory, over Greig as well as over England, it would not entirely surprise me if Australia were to bat again.

There will be precedents if they do. At Brisbane, for example, in 1928-29 England opted against enforcing the follow-on, in spite of a first innings lead of 399. In the end Chapman left Australia to make 742 to win and England won by 675 runs. Here at the Oval, in 1934, the boot was on the other foot. With a lead of 380 Australia batted again, winning ultimately by 562 runs. Tests were timeless in 1928-29, when England won on the fifth day, but not in 1934 when Australia won on the fourth.

Unless someone talks him out of it Chappell seems to have decided that this shall be his last Test match as Australia's captain, though not as an ordinary member of their side. Since taking over, against England at Sydney in 1971, he has met with outstanding success. There is a real toughness about him, a side to his character which has no time for compromise: it is this which makes him unlikely to change his mind about withdrawing from the captaincy and well capable of putting England in again, if he sees that as the best way of discomforting Greig.

As I was afraid would happen, with so little experience in the first five, England's batting on Saturday was simply not up to it. How it would have fared in the sunshine of the first two days, had they won the toss, there is no knowing. As it was, the admirable Steele played another stout innings, and Wood went quite well for a time. But Roope was out to his fourth ball, caught at short leg off bat and pad, and Woolmer over placed at No 5, played a poor stroke to a short ball from Lillee, Mallett taking a fine catch in the gully. Edrich, rather than making it look tolerably easy for those who followed him, scored 12 in 30 overs, Walker beating him time and again until he had him leg-before.

There has been a blight on the Saturdays of this series. At Edgbaston England's batting, like the weather, was infinitely depressing; at Lord's and Headingley England spent the Saturdays building rather tediously upon established advantage; this time the sun never came through until the evening, when it was too pale to shed much light or warmth. The crowd, ever patient, had their best entertainment from watching the bowling of Lillee, Thomson and Walker, the storm troopers and the musketeer.

From the pavilion end, for 25 accurate, often unlucky overs, Walker plugged away, moving the ball about enough to cause every batsman trouble. This was Walker's best bowling since the first Test match. As for Thomson and Lillee they made even the Oval's yielding cushion look as though it had a spring in it. After a disconcerting start to the tour Thomson, with his captain's loyal backing, has become a force again. He has promised to bowl at "a thousand miles an hour" against West Indies in Australia next winter. On Saturday Marsh was wringing his hands after taking one or two balls from Thomson, which I have not seen him do since England themselves were in Australia.

The one Australian for whom Saturday will have failed to come up to expectations was Mallett. Having watched the odd ball turning on Thursday and Friday he must have been hoping for an early bowl. Instead, he never got on. As in Australia when Australia were winning, and again at Edgbaston, Chappell rung the changes with Thomson, Lillee and Walker. Of the 58 overs of a restricted day Walker bowled 25, Thomson 17, and Lillee 16. Twice, because Thomson was in action, the umpires came off for bad light, when they might have stayed on had anyone slower been bowling. This was another example of Chappell's unsparing methods.

Underwood and Mallett would agree no doubt that too many of their days are spent as cricketing appendages—waiting and wanting to bowl yet called up only when the fast brigade have worn out the ball, or the batsmen have played themselves in, or the over rate needs bucking up, or the ball is really turning. This, alas, is the modern way.

Ian Chappell listens to tactical advice from a spectator.

AUSTRALIA: First Innings, 532 for 9 dec (I. M. Chappell 192, R. B. McCosker 127, K. D. Walters 65).

ENGLAND: First Innings

B. Wood, b Walker	32
J. H. Edrich, l-b-w, b Walker	12
D. S. Steele, b Lillee	39
G. R. J. Roope, c Turner, b Walker	0
R. A. Woolmer, c Mallett, b Thomson	5
A. W. Greig, c Marsh, b Lillee	17
†A. P. E. Knott, l-b-w, b Walker	9
P. H. Edmonds, c Marsh, b Thomson	4
C. M. Old, not out	21
J. A. Snow, not out	13
Extras (l-b 3, w 2, n-b 11)	17
Total (8 wkts)	169

D. L. Underwood to bat.

FALL OF WICKETS: 1—45, 2—78, 3—83, 4—96, 5—103, 6—125, 7—131, 8—147.

BOWLING (to date): Lillee, 19—7—44—2; Thomson, 18—5—45—2; Walker, 25—7—63—4.

An innings to trancend usual slapdash slog

By Alan Gibson

BOURNEMOUTH: Hampshire (4 pts) beat Leicestershire by six wickets.

An innings of the utmost splendour by Richards eclipsed everything and everyone else yesterday, and kept Hampshire at the top of the John Player League. They now need to win only at Darley Dale next Sunday (I hope Desmond Eagar has got the guide books out) to become this year's champions. Last year's champions put up a good fight for most of the match at Bournemouth, but once Richards was well into his stride, they must have felt like honest Trojan soldiers competing with Achilles, mortals struggling with the godlike.

Leicestershire's score of 195 for 6 was bigger than had looked likely when they lost their fourth wicket at 83 in the 21st over. Their recovery was principally due to their captain. Illingworth's merits as a batsman have usually been of the efficient rather than the stylish kind—not a man for the fancy touches. But some of his strokes yesterday, especially his drives through the covers, were hardly bettered even by Richards later on. He was supported by Gower in a stand of 43 and J. G. Tolchard in one of 50. Gower is only 18, a left hander, with some delicate strokes and some powerful ones, and it is understandable why Illingworth thinks he has a fine future. If Gower had not got himself out, caught at square leg from a full toss, Hampshire might have been in some trouble. Their bowling was no more than competent.

As we have become accustomed to saying this summer, the pitch was slow and low, but the Hampshire crowd, filling the ground, had no doubts that their fast scoring batsmen would get the runs. An early break was vital for Leicestershire, but Richards and Greenidge were never in trouble. Greenidge outscored Richards at first; he was caught at cover for 43 in the 17th over, and shortly afterwards Richards reached his 50. Richards then swept away with the match: the others needed little more than to hold an end. He reached his hundred in 74 balls, with scarcely a mishit. He hit, all told, five sixes—three in an over from Balderstone—and 12 fours, and yet scarcely ever seemed to strike the ball hard. Illingworth used six bowlers, but it did not matter what they did, or where he placed his field: it was all one. He himself bowled accurately on the leg stump with a strong leg field, but Richards still found the gaps, or stepped away and hit him into the open spaces. He was out just before the end, possibly fearing an over-exuberant welcome from the crowd. There are occasions now and then when a Sunday League match produces an innings which transcends the usual slap dash slog, and this was one of them.

LEICESTERSHIRE

B. Dudleston, b Jesty	6
J. F. Steele, b Rice	31
J. C. Balderstone, b Taylor	43
R. W. Tolchard, b Rice	5
R. Illingworth, not out	66
D. Gower, c Turner, b Murtagh	10
J. G. Tolchard, b Rice	22
N. M. McVicker, not out	5
Extras (b 1, l-b 14, w 1, n-b 2)	18
Total (6 wkts)	195

P. Booth, G. D. McKenzie, K. Higgs did not bat.

FALL OF WICKETS: 1—8, 2—51, 3—66, 4—83, 5—126, 6—176.

BOWLING: Mottram, 8—0—48—0; Jesty, 8—0—38—1; Sainsbury, 5—0—30—0; Taylor, 8—1—32—1; Rice, 8—2—31—3; Murtagh, 3—0—16—1.

HAMPSHIRE

B. A. Richards, b Booth	112
C. G. Greenidge, c Gower, b Balderstone	43
D. R. Turner, b Balderstone	11
T. E. Jesty, c R. Tolchard, b Booth	10
†R. M. C. Gilliat, not out	11
P. J. Sainsbury, not out	1
Extras (l-b 7, w 1)	8
Total (4 wkts, 39.2 overs)	196

J. M. Rice, M. N. S. Taylor, †G. R. Stephenson, A. J. Murtagh, T. J. Mottram did not bat.

FALL OF WICKETS: 1—96, 2—138, 3—176, 4—187.

BOWLING: Booth, 7—1—29—2; Higgs, 6.2—0—28—0; McKenzie, 4—1—19—0; McVicker, 3—0—15—0; Balderstone, 6—0—49—2; Illingworth, 6—0—48—0.

Umpires: K. E. Palmer and D. G. L. Evans.

Kent come alive again after Johnson gets second life

By Peter Marson

CHELMSFORD: Kent (4 pts) beat Essex by seven wickets.

Kent maintained interest in the John Player League when they returned to their winning ways yesterday. Requiring 182 runs to win, Johnson, who had been allowed to escape early in his innings, remained at one end, making 74, and with Luckhurst, Nicholls, Asif and finally Julien saw Kent past the post with 13 balls to spare.

It was a close afternoon and cloudy, with a good-sized crowd in position when Essex won the toss and opted to bat first. Kent made three changes to their side, Ealham, Rowe and Elms replacing Cowdrey, Jarvis and Graham, all of whom were unfit, and it was Elms who delivered the first blow when he had Turner caught behind in the third over.

Fletcher then gave Hardie his cue, and in a sudden flurry of strokes to the off-side and to the on-side Elms and Asif were driven for five boundaries. Elms then stood down to allow Shepherd to bowl the ninth over, and at the other end Hills came on for Asif to bowl the 12th over. Essex were then 43 for one, Hardie 22, Fletcher 15.

When these two had put on 67 runs in 14 overs Hardie made his exit in the manner of Turner, caught behind this time off Shepherd.

We had time only to see an impressive drive to the extra cover boundary by Gooch before he, too, was gone, caught at cover point, having mistimed his drive. That was to Hills' first ball in his second spell and the 21st over. Hills and Johnson shared the next 10 overs, bowling well enough to allow Kent to gather in another three wickets and to restrict Essex's batsmen to a paltry 30 runs. Fletcher, sliding down the pitch as if to send Johnson out of the ground, lifted his head, and was bowled, and at 111 McEwan was neatly caught by Denness at midwicket. It is totally alien for Boyce to be tied to his crease in these situations.

But he managed somehow to spend quite a lot of time at the non-striker's end and when, exasperated, he tried to break out, Edmeades was run out. Asif, fielding brilliantly off his own bowling, had sent one of the stumps flying with his throw from midpitch.

So at 118 for six Essex looked a little poorly. In the remaining nine overs Essex's tail thrashed about with some success with Pont, Smith and lastly East hitting 63 runs to bring a total of 181. Kent's most successful bowler had been Shepherd, who took three for 36.

The light had improved and there was a hint of sunshine and blue skies when Luckhurst and Johnson came out to bat. They made a brisk beginning, making 38 runs for the opening eight overs from Boyce and Lever. They had gone the course of 15 overs and had taken Kent to 51 when Luckhurst made to sweep East, and though it was not immediately apparent, either to the batsman or to anyone else, East's appeal for leg-before had been upheld by the umpire.

ESSEX

B. Turner, c Nicholls, b Elms	8
B. R. Hardie, c Nicholls, b Shepherd	58
*K. W. R. Fletcher, b Johnson	45
G. A. Gooch, c Asif, b Hills	11
K. S. McEwan, c Denness, b Hills	7
K. D. Boyce, c Hills, b Asif	9
S. E. A. Edmeades, run out	3
K. R. Pont, c Nicholls, b Shepherd	26
†N. Smith, c and b Shepherd	14
R. E. East, not out	18
J. K. Lever, not out	1
Extras (b 2, l-b 5, w 1)	8
Total (9 wkts)	181

FALL OF WICKETS: 1—6, 2—73, 3—88, 4—105, 5—111, 6—118, 7—138, 8—153, 9—159.

BOWLING: Elms, 8—0—47—1; Asif, 8—0—34—1; Shepherd, 8—0—36—3; Hills, 8—0—33—2; Johnson, 8—0—23—1.

KENT

B. W. Luckhurst, l-b-w, b East	43
G. W. Johnson, not out	74
D. Nicholls, b East	19
Asif Iqbal, c Lever, b Turner	15
B. D. Julien, not out	21
Extras (b 4, l-b 5, w 1)	10
Total (3 wkts, 37.5 overs)	182

*M. H. Denness, J. N. Shepherd, A. G. E. Ealham, R. W. Hills, C. S. C. Rowe, R. B. Elms did not bat.

FALL OF WICKETS: 1—51, 2—97, 3—139.

BOWLING: Boyce, 7—0—45—0; Lever, 8—0—38—0; East, 8—1—30—2; Turner, 8—0—31—1; Edmeades, 6.5—0—28—0.

Umpires: P. Rochford and R. Julian.

Gloucester v Surrey

AT BRISTOL

Gloucestershire (4pts) beat Surrey by nine runs.

GLOUCESTERSHIRE

Zaheer Abbas, st Skinner, b Butcher 55
Sadiq Mohammad, c Pocock, b Butcher 36
D. R. Shepherd, st Skinner, b Butcher 6

[illegible]

Warwick v Derby

AT BIRMINGHAM

Derbyshire (4pts) beat Warwickshire by three wickets.

WARWICKSHIRE

J. A. Jameson, c Ward, b Hendrick 6
D. L. Amiss, c Borrington, b Venkataraghavan 32

[illegible]

Notts v Yorkshire

AT NOTTINGHAM

Nottinghamshire (4pts) beat Yorkshire by 47 runs.

NOTTINGHAMSHIRE

P. A. Todd, c Sidebottom, b Stevenson 35
D. W. Randall, c Bairstow, b Nicholson 9

[illegible]

Middlesex v Sussex

AT LORD'S

Middlesex (4pts) beat Sussex by 97 runs.

MIDDLESEX

M. J. Smith, c Phillipson, b Waller 30
C. T. Radley, run out 14
†J. M. Brearley, c Groome, b Phillipson 51

[illegible]

Glamorgan v Somerset

AT CARDIFF

[scorecard illegible]

Lancashire v Northants

AT MANCHESTER

[scorecard illegible]

Today's cricket

[illegible]

Saturday's scores

[illegible]

Football

Trouble at every turn for Revie, England and the game itself

By Geoffrey Green
Football Correspondent

Whatever pleasure there is to be had from football these days is rapidly being eroded by the violent behaviour of some of its so-called supporters. To travel to and from matches is to run the gauntlet with these packs of marauding fiends as they terrorize the community at large. It has become a war of the locusts.

For a period last season this hooliganism seemed to have abated. But now the epidemic has broken out again with a greater virulence in spite of all the warnings of the Minister of Sport's working party before the season began. The catalogue of violence continued on Saturday with the flashpoint at Luton, where Chelsea thugs invaded the pitch to attack the Luton players near the end in an abortive attempt to get a losing contest abandoned. Similar incidents at Newcastle and Manchester's Old Trafford in recent years had not been forgotten by the terrorists.

A trail of destruction marked the Chelsea followers' journey back to London. They set fire to a carriage in their train; the guard locked himself in to protect the mail; chairs and tables were uprooted and thrown out of windows; squads of police with alsatian dogs awaited their arrival at St Pancras station.

My train from Leicester was delayed for an hour along the line while the destruction took place. The referee at Luton, following a four-minute break while police cleared the pitch, duly finished the match, allowing the home side to secure their 3—0 win, saying in conclusion that a return to the birch and the cat was probably the one effective deterrent to be understood by these thugs.

Yesterday Ted Croker, secretary of the Football Association, said: "These people must be dealt with to the utmost of the law. The police say that the penalties are there, it is up to the courts to impose them. It is all very well for the reformers to say the trouble is more deep-rooted, but the vast majority of us are suffering for a minority hooligan element."

Meanwhile, the England party leave this afternoon for Basle where they play Switzerland on Wednesday night. Missing from the party will be McFarland, the Derby County centre half, who will not now be replaced by another player. Madeley, of Leeds United, also is doubtful with a damaged eye suffered at Sheffield United on Saturday, and Francis, the newly appointed England captain, will decide this morning whether a hamstring injury which was slightly aggravated against West Ham United will allow him to travel.

Thus early does Don Revie, the national manager, find himself confronted by troubled waters as he prepares his assault on the European Championship. It is a situation further aggravated by some angry crosstalk with Tony Waddington, the Stoke manager, over the non-selection of Alan Hudson to the England platoon. Waddington blames Hudson's loss of form to his omission; in contrast the player himself is said to have announced that he does not care one way or the other, to all of which Mr Revie replies that he wants action on the field not words.

Mr Revie said: "I would rather have heard that Hudson was disappointed about being left out and honest enough to admit that he has not been playing well, and that he is going to try to show me in the future that he is the best midfielder in the country." Of Mr Waddington's comments, Mr Revie said: "It is depressing to me to hear managers making this type of remark. He is making the fact that I have left Hudson out as an excuse for the player's poor form. Managers ought to be more responsible."

In the meantime, Manchester United, winning 1—0 at Stoke, remain unbeaten with a single point lead in the championship and a goal aggregate of 11 to two from five matches. They could scarcely have anticipated such a profitable return to the first division.

Liverpool get no votes for originality

By Geoffrey Green

There are many even in these early days of the season who are prepared to give their vote to Liverpool as the next champions. To judge by the manner of their 1—1 draw with Leicester City at Filbert Street on Saturday the pundits may not be far wrong with their assessment. Liverpool, however, praise or no praise, are unlikely to set neutral pulses quickening over the coming months if they are to be judged in this vein.

There is no denying their efficiency. Solid and reliable, tongued and grooved in defence, they continue to be one of the most difficult sides to beat as they have proved over the past decade as they continue to win a place in European competitions. Yet there is nothing new about their football in terms of flare or excitement. Season after season they appear wearing the same brand stamp—entirely predictable, running endlessly, covering, supporting, working feverishly for each other and never wavering until the final whistle blows. It is all very worthy but scarcely exciting or different.

In the 1960s Liverpool at least could boast Ian St John as a creative, withdrawn centre forward with two probing wingers in Peter Thompson and Callaghan and Hunt to finish the attack with powerful shooting. There was a touch of variety and panache about them in those days. But now they have withdrawn into the modern shell, relying on an endless workrate (horrible expression) and goals snatched from half chances to achieve results.

More than that, they have retreated into an even tighter defensive unit, employing a mobile 4—3—1—2 formation. This leaves only two front runners—in this case Heighway and Kennedy—and little Keegan, normally a striker in the England team, playing at their heels in a five-eighths position with licence to roam the field at will. It is a philosophy of safety first, made all the more irritating by endless square and back passing aimed at possession football. It is mechanical and soporific, though in defence of Liverpool's methods, they could say, it brought them within five minutes of victory on this occasion until at the end Weller saved Leicester with a scrambled goal to neutralize Keegan's header soon after the interval.

Following a desert of an opening half in which the one oasis was a header on to the Liverpool crossbar by Lee from Worthington, some positive action at last came at the change of ends. Almost at once Sims, a useful deputy centre half for Blockley—who has undergone a cartilage operation—brought down Kennedy in the box. Keegan duly slotted the penalty but was rightly judged to have taken the kick before anyone was ready, a touch of gamesmanship that was swiftly punished when Wallington guessed right, dived right and saved the second shot.

Little Keegan gained his revenge within a couple of minutes. Wallington, having scaled the heights one moment, plunged the depths the next as he failed to gather a deep lob by Jones and there was Keegan, to nod in the loose ball. Liverpool seemed to have gained what they wanted Leicester piled on the pressure in counter attacks launched by Weller, Kember and Sammels, but Hughes, Callaghan, Thompson and Keegan held firm with energetic coverage.

There was one other oddity before the close. A goal down, Leicester pulled off Lee and substituted Alderson, swapping a striker for a midfield man—as curious a decision in the circumstances as the fact that Leicester these days use the once creative Birchenall as a full-time defender in the back four. Yet it all paid off as Kember and Weller tightened the screw. Once Clemence rescued Liverpool with a brilliant dive to Garland's close range volley, but with the sands of time slipping away fast, justice was served. Weller at last bundled in Kember's header to a curving, long distance lob by Birchenall and Leicester had forced their fourth draw in five matches.

LEICESTER CITY: M. Wallington; S. Whitworth, D. Rofe, S. Kember, S. Sims, A. Birchenall, K. Weller, R. Lee (sub, R. Alderson), F. Worthington, J. Sammels, C. Garland.

LIVERPOOL: R. Clemence; P. Neal, J. Jones (sub, P. Boersma), P. Thompson, E. Hughes, P. Cormack, K. Keegan, T. McDermott, S. Heighway, R. Kennedy, I. Callaghan.

Referee: R. C. Challis (Tonbridge).

Example of the players revives an old idea

By Norman Fox

One of Saturday morning's columnists suggested that we "hopped on a football match" and took our wives along because there was a spark of a revolution waiting to ignite the game's attractive qualities. Any new spectator at the Luton battle will have "hopped" off the idea as dexterously as an Olympic triple jumper but the 1—1 draw between Queen's Park Rangers and West Ham United was a revival of the old idea that the best products advertise themselves.

Football has to embrace the extremes and Rangers' ground was almost like Glyndebourne by comparison with the day's violent places; and it began, was inspired and completed by the example of the players. Because of inexperience in defence, Rangers were not expected to be comfortable against Taylor, Robson and Jennings, with Brooking also keen to show that Francis should not be an automatic choice for England. In the event, Abbott and Tagg pulled a curtain across the Rangers goal and the eye of the game was soon removed to midfield, where Francis and Masson took elegant command.

Francis started with a slightly pulled hamstring but risked his first game as England's captain next Wednesday by submerging himself in a physically unreserved match. He came off after 78 minutes none the worse for the exercise and it was significant that four minutes later West Ham, who had never gained control, scored their equalizing goal. By that time Rangers thought they could afford to smirk at West Ham.

Rangers were seeking the controlled hold and strike tactics that have never been allowed to flower in the hectic British game. They held cleverly, Bowles having the skill and effrontery to dictate pace, but their striking did not quite have enough surprise. At least they tried and the effort made absorbing entertainment. At the end of most of their attacks was the under-estimated Givens, fast, neat and, above all, a shrewd searcher.

Givens missed one goal when Day saved with his legs, but on the next occasion Day was less fortunate as he fumbled a free-kick from Masson, dropped the ball to Leach, who moved it a few feet to Givens who accepted the gift of an open goal. There followed driving volleys, fine saves, shots that clipped the posts, flowing movements, brave tackles and in the end West Ham took a point that was not truly justified. Brooking's long cross went over the goalmouth to Jennings who was almost on the line several yards beyond the far post. From that blind position he tried a snap shot that, to his disbelief, ripped into the goal off the crossbar.

QUEEN'S PARK RANGERS: P. Parkes; D. Clement, I. Gillard, M. Leach, R. Abbott, A. Tagg, D. Thomas, G. Francis (sub, J. Hollins), D. Masson, S. Bowles, D. Givens.

WEST HAM UNITED: M. Day; J. McDowell, F. Lampard, P. Holland, T. Taylor, K. Lock, A. Taylor, G. Paddon, W. Jennings, T. Brooking, K. Robson.

Referee: P. Partridge (Durham).

Fortune favours second half of Norwich's pla[...]

By Christopher Warman

It may be little consolation at White Hart Lane, but Tottenham Hotspur will probably win some matches this season by playing worse than on Saturday when they were held to a 2—2 draw by Norwich City. Spurs were unlucky to lose their left back and captain, Knowles, soon after the start, which caused a reorganization in defence, but by half-time they seemed to have overcome the problem and, one goal up, were playing with increasing confidence.

Norwich never gave up trying, however. Equalizing soon after the interval, they trailed again when Duncan scored Tottenham's second, but forced the draw with only nine minutes left. Both their goals owed something to good fortune, as they, with delight, and Spurs ruefully accepted.

With Conn and Perryman injured, Tottenham brought in Smith, for his first game, and McNab. Neighbour took over from the unhappy Chivers, and operating from the left wing had a good, thrusting game. Knowles joined the casualty list after 15 minutes, injuring his thigh. He was replaced by Glen Hoddle, tall, rangy, and aged 18, who should be well pleased with his first appearance.

[remainder of article cut off at the right edge of the page]

Goalk[...] blessed with h[...] of Siva[...]

By John Down[...]

[article cut off at the right edge of the page]

Today's football

LEAGUE CUP: First round replay: Hereford v Port Vale (at Shrewsbury, 7.30).

SCOTTISH LEAGUE CUP: Supplementary round, 1st leg: Cowdenbeath v Clydebank (7.30).

ATHENIAN LEAGUE: First division: Addlestone v Redhill (7.30).

SOUTHERN LEAGUE: Cup, first round, second leg: Bath v Yeovil (7.30); Chelmsford v Bedford (7.30); Grantham v Milton Keynes (7.30); Hillingdon v Wimbledon (7.30); Nuneaton v Burton (7.30); Salisbury v Poole (7.30); Tamworth v Bedworth (7.30); Telford v Worcester (7.30); Tonbridge v Metropolitan Police (7.30).

NORTHERN PREMIER LEAGUE: Altrincham v Bangor City (7.30); Mossley v Fleetwood (7.30); Northwich Vic. v Stafford Rangers (7.30); Runcorn v Buxton (7.30).

RUGBY UNION: Torquay Athletic v Birkenhead Park (6.30); Plymouth Albion v Public School Wanderers (6.30).

Weekend results and tables

First division

[illegible]

Second division

[illegible]

Third division

[illegible]

Fourth division

[illegible]

Scottish premier division

[illegible]

Scottish first division

[illegible]

Scottish second division

[illegible]

nis

iss Wade takes on slip of a girl om young America

Rex Bellamy
Correspondent
Hills, Aug 31

n Borg and Rod Laver won ight sets here last evening ll therefore have a court to lves in the last 16 of the States tennis champion- which are being played on ale rather than the traditio- ass. These two drove each to blistered exhaustion in urse of a thrilling five-set in the World Championship tournament in Dallas last Borg won and the replay ll be played on the surface ers.

ctably the seedings were o look ridiculously vulner- the first four days here. low the top the level of is so even that superficial s are always likely. This so, the change of surface vitably given the clay-court sts a better chance than ed to have. Moreover, some are more adequately pre- than others. Those who ecently been playing team in the United States had lar cause for apprehension hey suddenly had to move s and play on clay.

r. Roche, Alexander, tis and Richey were dis- leaving 11 of the 16 men's n the running. In addition ad a match point against (this year, Kary has dly reached commanding s only to falter on the f success) and Fibak came two points of beating n yesterday, which was 23rd birthday.

ole is a player of consider- lent and in the French nships he came tantaliz- ose to beating Kodes. Come g of it, a lot of players ose to beating Kodes.

of the eight women's were also dismissed: Olga ra, Françoise Durr and eldman. Pamela Teeguar- ho once had to make a between playing tennis or io, has a knack of popping spotlight for the big win. ears ago she beat Evonne ong, now Mrs Cawley, in hampionships, and this time posed of Mrs Morozova in ding tie-break finish.

ther seeds, Martina Navra- and Margaret Court, who meet in the last eight, have each lost a set. Miss Navratilova was today's first winner. Wearing a heavily-flowered dress of a design perhaps best described as botanical impressionist, she beat Kathy May, of Los Angeles, who has been coached by Tony Trabert. Miss May came close to beating Mrs Morozova at Wimbledon.

The British challenge in the singles has been reduced to Mark Cox and Virginia Wade, the leading players in the national rankings. Both are playing well. But Cox has to play Ilie Nastase later today and Nastase's form here has been superb. Miss Wade's opponent will be Beth Norton, aged 18, the American junior champion. Miss Norton comes from Connecticut.

When she was 15 her father took her away from school so that she could go to California and concentrate on tennis, because California is the place to go for young Americans who want to make a career in the game. There is not much of Miss Norton. But she moves well and plays an aggressive game, though she can be impetuous. In all this she has much in common with the teenage Rosemary Casals.

Susan Barker, from Paignton, was beaten yesterday by Greer Stevens, of South Africa, a former gymnast who this year has begun to look a formidable tennis player. Miss Stevens has been playing team tennis over here and has benefited from Bob Hewitt's advice. She is a tough competitor. Miss Stevens won 6—0, 6—7, 6—4. Miss Barker, who arrived in New York too late for adequate acclimatization and practice, made a bad start but, in the second set and early in the third, was playing so well that she looked to have a winning chance.

But Miss Stevens played better in the crisis and Miss Barker lost the match with a double-fault. It was a sobering result. In Britain—and, indeed, in Europe as a whole—Miss Barker is regarded as a youngster of exceptional promise. But Miss Stevens is 10 months younger.

In spite of the fall of so many seeds, the semi-final round of the singles could still work out as was predicted: Connors v Ashe (a repetition of the Wimbledon final), Vilas v Orantes, Miss Evert v Miss Navratilova (runner-up to Miss Evert in the French and Italian finals), and Miss Wade v Mrs Cawley.

ekend Forest Hills results

s singles

round:
he (US) beat Z. Franulovic via), 6—2, 6—0; H. Solo- S) beat W. Fibak (Poland), —0, 7—6; R. Hewitt (SA) Taroczy (Hungary), 6—2; Pattison (Rhodesia) beat (Argentina), 5—7, 6—4; Dibbs (US) beat J. Higueras 6—3, 6—0; R. Laver (Aus- eat J. Andrews (US), 6—2, 6—3; B. Borg (Sweden) beat R. Case (Australia), 6—3, 6—3.

Women's singles

Second round:
S. V. Wade (GB) beat M. Kroschina (USSR), 6—1, 6—3; G. Stevens (SA) beat S. Barker (GB), 6—0, 6—7, 6—4; W. Overton (US) beat C. Doerner (Australia), 6—1, 6—1; B. Norton (US) beat C. Meyer (US), 7—5, 1—6, 6—2.

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iper adds world title Olympic gold

Belgium, Aug 31.—A Olympic champion, Hennie won the world profes- road race title and the nds sixth gold medal of world cycling champion- re today. The defending n, Eddy Merckx's, hopes ord-breaking fourth world e shattered by a crash fast descent.

0-year-old Belgian rider upset at the time of his he had to be coaxed tinuing the race and he eighth despite a brave the last lap.

beat Roger De Vlae- f Belgium, into second 17sec and Jeane-Pierre ume, of France, was An estimated 150,000 crowded the verges ome places overran the punishing circuit in the Ardennes. Kuiper's time 66 miles was 6hr 29min

who was Olympic cham- 972, was with the leaders rt the race. He surged the last time on the after a brief charge by nd built-up a 25sec lead ted the final circuit.

e crowd had turned out

The match never developed. Thevenet was subdued and it was late in the race before he showed himself by powering into the lead. Merckx fell after his front wheel touched the machine of a Spaniard. He was persuaded to continue after a change of machines and was later given a pain-killing injection.

Merckx claimed that other members of the eight-man Belgian group had not raced as a team. He said he made his own last attempt to win in the final lap because he felt good then but quickly realized that the effort was just too much. The second placed De Vlaeminck, Merckx's main rival for supremacy in Belgian cycling, also criticized the selfish tactics of some other members of the Belgian team. He said: "I would have won if I had received as much help as Merckx."

Riders and officials were critical of spectator arrangements when people surged on to the circuit in several places. Only 28 of the 79 starters completed the race. Geoffrey Dutton and Philip Bayton, of Britain, were disqualified for pushing other riders. David Lloyd, who was 23rd was the highest placed British rider.

PROFESSIONAL ROAD RACE: 1, H. Kuiper (Netherlands), 6hr 29min 12sec; 2, R. De Vlaeminck (Belgium); 3, J. P. Danguillaume (France); ...

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mpions capsize but win first race

Racing

Classic opportunity for Orange Bay to display his qualities

By Michael Seely

The flat racing season is now entering one of its most definitive periods. The final classic, the St Leger, takes place at Doncaster on Saturday, September 13. Nowadays, with the exception of Nijinsky in 1970, the outstanding Derby winners, such as Mill Reef and Grundy tend to find their lines cast elsewhere. Their connexions prefer to exploit their telling pace against older horses in the more prestigious middle distance races.

However, the St Leger remains a great race in its own right with its emphasis on the qualities of stamina and courage. Bustino, whose premature retirement to stud was announced last week, was an outstanding winner of the final classic. Those fortunate enough to have bought a share in Bustino at 15,000 guineas may have secured a bargain yet.

For two-year-olds, the next five weeks go a long way towards shaping the pattern for next season. Starting with the Solario Stakes at Sandown Park on Saturday, a string of important races throw up likely candidates for the classics. At Doncaster on Tuesday week there will be an authentic flavour to the Champagne Stakes, sponsored for the first time by Laurent Perrier. The Royal Lodge Stakes at Ascot on September 27 is followed a few days later by two important group I races, the Cheveley Park Stakes and the Middle Park Stakes, both sponsored by William Hill.

The Variety Club meeting at Sandown on Saturday provided its usual entertaining fare. The outstanding feature was a treble by Frank Durr, whose determined rhythm of driving, rising to a crescendo of power in the last furlong, has never been seen to better advantage. His victory on St Joles gave a supreme example of his style. Below the distance, he was in what seemed a hopeless position on the rail.

Inside the final 200 yards he conjoured a stirring response from St Joles, squeezing through a narrow gap, to win going away. St Joles, the first leg of Barry Hill's double completed with Miss Kissfield, is a probable for the Observer Gold Cup at Doncaster. Neither Marco Ricci nor Hobnob, thoroughly beaten by the hurdler, Trustful, in the Sportsman Club Handicap, could have enhanced their St Leger claims.

Indeed, as far as the future is concerned, all significant events on Saturday occurred at the Curragh where Vincent O'Brien landed a treble with the St Leger favourite King Pellinore, Niebo and Malinowski. In the Blandford Stakes, King Pellinore beat Hurry Harriet by a head with Nuthatch eight lengths away, third. Piggott had ridden a waiting race on the winner keeping at the rear of the field until the straight. Sweeping up the centre of the track, King Pellinore struck the front entering the last furlong but had to be driven out to repel the late attack of Hurry Harriet. Opinions regarding the merit of the performance were divided. O'Brien expressed himself more than satisfied but Piggott was not so sure.

Hurry Harriet is more than useful on her day and O'Brien is sure to have left something to work on with the St Leger still nearly a fortnight away. Judged on his performance when second to Grundy in the Irish Derby, King Pellinore is a worthy favourite for the final classic but on his pedigree there must be doubts about his stamina. By Round Table, King Pellinore is a half-brother to Lisadell and Thatch. Lisadell was a top class miler and the memories of Thatch breaking the course record in the St James's Palace Stakes and his easy win in the July Cup over six furlongs are still fresh in the mind.

With the victories of his two-year-olds, Niebo and Malinowski, O'Brien served clear warning that the days of Sir Ivor and Nijinsky may be upon us again. Niebo runs next in the Dewhurst Stakes at Newmarket. Malinowski, a handsome colt by Sir Ivor, was impressive. Slowely away from the stalls, he raced through his field like a knife through butter to win by 10 lengths. He will have one more race in Ireland before coming over to Doncaster for the Observer Gold Cup on October 25.

William Hill now offer only 4-1 against the O'Brien stable for next spring's 2,000 Guineas. Another winner from Saturday who is bound for England is Petipat who looks a formidable contender for the Cheveley Park Stakes. Few two-year-olds have made a more marked impression on me all season than Petipat when scoring at York. She had a fast two-year-old, Alacrity, off the bridle at halfway that afternoon and surprised even her trainer, Paddy Prendergast, who considered her to be in need of the run following an attack of the virus.

The pieces of the Walwyn jigsaw puzzle have yet to fall into place so far as the St Leger is concerned. A decision as to whether Patch or Consol is to be his representative at Doncaster has yet to be reached. Walwyn cannot dismiss the picture of Patch fading in the closing stages of the Grand Prix de Paris. But Patch settled kindly in front when beating Sea Anchor in the Great Voltigeur and the St Leger is not usually as clear cut a contest as the Grand Prix. Walwyn has a high opinion of Consol who must have some give in the ground.

The going was firm when Consol fell behind Sea Anchor at Ascot. The surface was on the easy side when he beat Hurry Harrier in Ireland in the spring and again when he beat older horses for the second time this season in the Geoffrey Freer Stakes at Newbury recently. The Lambourn trainer is on the horns of a not unpleasant dilemma. If Patch runs at Doncaster, Consol will go either to Ireland for their St Leger or for the French equivalent, the Prix Royal Oak. Only in the event of Patch being reserved for the Prix de l'Arc de Triomphe would Consol take the St Leger field. Both horses are natural front runners who go well for Eddery and to run both of them at Doncaster would not be in either animal's best interest.

Also declared at the 14 day stage were Corby and Orange Bay. Corby is on the sidelines having bruised his shoulder when finishing last in the March Stakes at Goodwood. Orange Bay, in the same ownership as Patch, runs at Windsor this afternoon in the Winter Hill Stakes. "He shows us nothing at home" Walwyn told me. "We are running him to find out something about him." Orange Bay, winner of the Italian Derby this summer, has not run since being transferred to Seven Barrows, although he had been beatein in Italy since his triumph.

Of his opponents this afternoon only Piggott's mount, Laurentian Hills, has form of any consequence but he should present little trouble to Orange Bay. Two other likely winners at Windsor are Floral Royal and Picture who run in the first and second divisions of the Newholme Plate. Floral Royal came home in a quick time when winning on her first appearance at Newmarket. Picture, who is highly regarded, was beaten only by her stable companion.

Vincent O'Brien: a significant treble at the Curragh on Saturday.

Modest race for a first appearance

Peter Walwyn has chosen Windsor's modest five runner Winter Hill Stakes for the British racecourse appearance of Orange Bay. This son of Canisbay was rated the second best two-year-old behind the 2,000 Guineas winner Bolkonski in Italy last year. In four outings so far this season, Orange Bay has yet to finish out of the first four and his victories include the Italian Derby in Rome in May and earlier a two length success over the English trained Hobnob at Milan in April.

King Pellinore supported

King Pellinore is favourite with Hills and Corals for the St Leger following his victory at the Curragh on Saturday. Hills make the O'Brien runner 3-1 and Corals 11-4. Ladbrokes take a different view of Saturday's race and make Sea Anchor 7-2 favourite with King Pellinore at 4-1.

STATE OF GOING (official): Windsor: Good to firm. Pontefract: Hard. Southwell: Good to firm. Brighton (tomorrow): Firm (watered). Newton Abbot (tomorrow): Good to firm.

L'Ensorceleur wins after an objection

From Pierre Guillot
French Racing Correspondent
Deauville, Aug 31

After barging his way through entering the final furlong, the Italian-owned four-year-old Duke of Marmalade won the Grand Prix de Deauville today by a comfortable length and a half from L'Ensorceleur with Dahlia a neck away, third. On My Way, who finished fifth behind Riboquill, was the principal sufferer in this mêlée.

His jockey, Gerard Rivases lodged an objection. It was sustained and Duke of Marmalade was disqualified and placed fifth. Maurice Zilber thus became the trainer of the first two in the Grand Prix, though doubtless he would have been happier if their placings had been reversed. Riboquill, who finished two lengths behind Dahlia, was promoted to third place and On My Way to fourth.

It would not be correct to refer to the first two as stable companions as both Madame Volterra, the owner of the winner, and Mr Bunker Hunt have their own Chantilly yards each under Zilber's control. Dahlia was in the middle of the 18 horse field until Lester Piggott moved her forward on the final turn. Brought into the centre of the course in company with Riboquill, she looked promising but was hampered in the closing stages which, in the event, might have deprived her of victory.

Surprisingly, she did not start favourite, her price being 5-1 which seemed generous. Daniel Wildenstein's double entry of Copte and Palei started at odds on. Tony Murray's mount, Copte, was individually at about 20-1 with Palei, who was ridden by Yves Saint Martin, the 5-4 favourite. The winner of three of his four races, Palei was in the leading group until the straight but then dropped out quickly. In the pre-race betting shows L'Ensorceleur, who paid 42.60 francs to a one franc stake, had stood at 15-1 and the original winner, Duke of Marmalade, at 20-1.

As expected, Citoyen set the early pace followed by Duke of Marmalade's stable companion, Saint Paul. On My Way, Palei, Battle Song, Copte, Grande Trianon and L'Ensorceleur were all prominent down the back straight where Gramy and Monde Soieux brought up the rear. Georges Doleuze, on Citoyen, quickened the pace going into the final turn still chased by On My Way, Saint Paul, Battle Song and Palei. The Ascot Gold Cup winner, Sagaro, moved up smoothly on the outside on the turn but lost his place early in the straight and clearly needs a longer distance.

Entering the straight, Citoyen was joined and quickly passed by On My Way, L'Ensorceleur and Battle Song, who appeared to be going best when striking the front but weakened rapidly in the last furlong to finish sixth, more than five lengths behind the winner. Had Duke of Marmalade kept the race, he would have completed a famous double for Jean-Richard Lyon who is in his first season as a trainer. Lyon had won the previous race, the Prix Francois Andre, a 10 furlong handicap worth £9,000 for fillies, with the American bred, Marinette.

Both horses started their careers in England, Duke of Marmalade with Robert Armstrong at Newmarket and Marinette with John Dunlop of Sussex. Duke of Marmalade was bought by Senora Bucci and raced for her in Italy before transferring to France last month. This was his third race in the best company in the past six weeks.

L'Ensorceleur was running for only the sixth time. He was a maiden until carrying 8st 11lb to a narrow victory in a lowly 10 furlong handicap here three weeks ago. Seven days later he reappeared in the group three Prix de la Cote Normande and was beaten a comfortable three lengths by Kasteel. The extra three and a half furlongs of today's race had much to do with his improvement. A son of the 1964 Prix du Jockey Club winner, Le Fabuleux, who stands in Kentucky, he is a half-brother to two other useful horses, Kebah, who won the Prix de la Salamandre in 1968, and Klaizia.

GRAND PRIX DE DEAUVILLE ... L'Ensorceleur, b c, by Le Fabuleux—Klaizia (Mrs ... Volterra) ... A. Lequeux ... 1
Dahlia, ch f, by Vaguely Noble—Priceless Gem (N. B. Hunt) ... L. Piggott ... 2
Riboquill, b c, by Ribot—Quill (W. R. Hawn) ... J. C. Desaint ... 3
ALSO RAN: On My Way (4th), Battle Song, Sagaro, Copte, Saint Paul, Sisal, Ambrellita, Gramy, Monde Soieux, Grand Trianon, Citoyen, Palei, Captain Nemo, Duke of Marmalade.
PARI-MUTUEL ...

Pontefract programme

2.45 JUNIOR PLATE (2-y-o: £621: 6f)

3	111221	Nagwa (D), B. Hills, 9-6	R. Cochrane 7	2
4	101003	Autumn Glow (CD), T. Fairhurst, 9-6	S. Webster 5	1
6	11	Great Idea (D), H. Cecil, 9-5	A. Bond	6
9	1	Daviebell, P. Walwyn, 8-12	F. Morby	4
12	0	Cidedo, N. Adam, 8-11	M. Kettle	3
16	0032	Allez Stanwick, Denys Smith, 8-8	A. Barclay	5

7-4 Nagwa, 11-4 Great Idea, 7-2 Daviebell, 8-1 Autumn Glow, 10-1 Allez Stanwick, 16-1 Cidedo.

3.15 CASTLE HANDICAP (£425: 1¼m)

4 0-00000 Farmers Boy, S. Hall, 4-9-5 ... E. Johnson 4

3.45 GRIMETHORPE HANDICAP (3-y-o: £690: 1m)

4.15 ILKLEY PLATE (3-y-o: £345: 1m)

4.45 WENTWORTH HANDICAP (£746: 6f)

5.15 FERN HILL STAKES (£611: 1¼m)

Pontefract selections

By Our Racing Staff
2.45 Nagwa. 3.15 Better Than Ever. 3.45 Yamadori. 4.15 French Harmony. 4.45 Wee Sovereign. 5.15 Edwards Hill.
By Our Newmarket Correspondent
2.45 Great Idea. 4.15 Le Dauphin. 4.45 Flying Diplomat. 5.15 Samoa Tan.

Windsor selections

By Our Racing Staff
2.30 Floral Royal. 3.0 The Little Poem. 3.30 Dame Clara. 4.0 Orange Bay. 4.30 Chica. 5.0 Spergula. 5.30 PICTURE is specially recommended.
By Our Newmarket Correspondent
2.30 Floral Royal. 3.0 Venus of Streatham. 4.0 Laurentian Hills. 4.30 Golden Lad. 5.0 Mantop. 5.30 Breathing Exercise.

Southwell programme

2.15 BLEASBY HURDLE (Div I: 3-y-o novices: £408: 2m)

1	1	Parva Prince (D), F. Carr, 11-2	M. Blackshaw
3	12	Verona Brandy (D), J. Leigh, 11-2	J. Juson 7
4		Gulling Song, O. O'Neill, 10-11	M. James 7
5	4	Hurricane Jules, D. Weeden, 10-11	C. Searle
6		Mr Wicker, J. Hardy, 10-11	J. Thompson 7
7		Otaki, W. Clay, 10-11	N. Clay 5
10	0	Streaking Sun, G. Richards, 10-11	D. Goulding
11		Swanee Castle, D. Holmes, 10-11	G. Griffin
12		Tingalary, Denys Smith, 10-11	A. Dickman

10-11 Parva Prince, 7-2 Verona Brandy, 6-1 Hurricane Jules, 8-1 Streaking Sun, 10-1 Tingalary, 12-1 Gulling Song, 16-1 others.

2.45 WELCOME HURDLE (£272: 2m)

3.15 NEWARK STEEPLECHASE (Handicap: £544: 2m 74yd)

3.45 FIRST-CHANCE STEEPLECHASE (Novices: £408: 2m 74yd)

4.15 WHITEMOOR HURDLE (Handicap: £680: 2¼m)

4.45 BLEASBY HURDLE (Div II: 3-y-o: £408: 2m)

Southwell selections

2.15 Parva Prince. 2.45 Leaton Knolls. 3.15 Fine Avon. 3.45 Sleeper King. 4.15 Bladon. 4.45 The Lubistein.

Windsor programme

2.30 NEWHOLME PLATE (Div I: 2-y-o: £483: 6f)

1	3212	Ashabit (D), P. Walwyn, 9-1	P. Eddery
3	1	Floral Royal, R. Armstrong, 9-1	L. Piggott
6	0	Amon Ra, N. Vigors, 8-11	D. McKay
15	00	Hot Steel, J. Bradley, 8-11	I. Johnson
18	0	Lord Elect, J. Sutcliffe, 8-11	B. Rouse
21	00	Park Walk, W. Wightman, 8-11	D. Cullen
25	0	Rio Gaal, M. Masson, 8-11	A. Murray
27		Sambrook, R. Akehurst, 8-11	G. Baxter
28	400	Two Swallows, G. Toft, 8-1	B. Connorton
32	00	Beaumont Belle, R. Jarvis, 8-8	M. L. Thomas
35	4	Farczeh, B. van Cutsem, 8-8	W. Carson
38		Hunnitwins, G. Balding, 8-8	J. Curant

3.0 STRATFIELDSAYE STAKES (2-y-o: £448: 5f)

3.30 LOUDWATER HANDICAP (2-y-o: £483: 6f)

4.0 WINTER HILL STAKES (£629: 1m 3f 150yd)

4.30 MANTON HANDICAP (3-y-o: £483: 1m 70yd)

5.0 RAYS STAKES (£165: 1m 22yd)

5.30 NEWHOLME PLATE (Div II: 2-y-o: £483: 6f)

57		Tribal Song, G. Balding, 8-8	J. Curant
52	0	Walver Valley, R. Jarvis, 8-8	M. L. Thomas

9-4 Picture, 11-4 Amadina, 7-2 Breathing Exercise, 6-1 Shelahnu, 8-1 Addie, 10-1 Mrs Tickle, 14-1 others.

Saturday's results at four meetings

Sandown Park results

Ripon

Stratford-on-Avon

Chester

For the Record

Croquet

Tennis

Volleyball

Golf

Athletics

Rugby League

Road walking

Squash rackets

Yachting

Baseball

Ice hockey

Hockey

Fencing

Motor racing

Andretti sets lap record in practice

Gainesville, Georgia, Aug 30.—Mario Andretti broke the Atlanta track record in qualifying for tomorrow's 100-mile Formula 5,000 motor race. In his Lola T-332, Andretti lapped at 123 mph. Brian Redman, of Britain, had the second fastest speed of 122 mph in a Lola T-400.

Al Unser, Andretti's colleague, was third at 121 mph and Jackie Oliver fourth in a UOP Shadow, also at 121 mph. The late Mark Donohue held the previous record over the 2.52-mile course at 122.41 mph set in 1973 in a Porsche 917.

Redman currently holds the lead in the Formula 5,000 championship points standing with 135. Andretti and Unser are only 22 behind. Oliver is fourth, 20 points behind Andretti and Unser.

Andretti has qualified with the fastest time in each of the five events held this year but mechanical problems have forced him out of all but one.—UPI.

Athletics

Walker narrowly misses record

Göteborg, Aug 30.—The world mile record holder, John Walker, tonight broke the New Zealand 2,000 metres record during the first day of the Sweden against Czechoslovakia athletics match, but just missed the world record.

Walker recorded 4min 56.5sec to finish well clear of Vlasta, of Czechoslovakia and was only six tenths of a second outside the world best time for the distance set by Michel Jazy, of France, in 1966 at 4min 56.2sec. The New Zealander, who only 24 hours earlier won a tough mile race in London in a time of 3min 53.6sec, said he had not realized, until it was too late, that he was so close to the world record.—AFP.

Sudbury, Ontario, Aug 30.—Ruth Fuchs, of East Germany, threw the javelin 218ft 0½in last night in a women's athletics meeting with Canada. She easily beat the Canadian all-comers record and missed the world record by less than a metre.

Melvyn Westlake sets the scene for this week's UN economic conference

Third World ready to attack the system that keeps it poor

During the next 12 days representatives of the earth's poor regions will mount a new attack on the existing international economic order which so unfairly divides wealth between nations. The seventh special session of the United Nations, beginning in New York today, seems almost certain to produce a set-piece skirmish between the rich minority of industrialized states and the countries of Africa, Asia and Latin America which form the overwhelming majority. Devoted to "Development and International Economic Co-operation", it will be only the second special session in the UN's 30-year history involving economic matters. The first five such special sessions were mainly devoted to security subjects.

The latest special session is intended as a direct follow up to the sixth, on raw materials, held in the spring of last year which promulgated the radical programme for a "new international economic order" that has already become familiarly known as NIEO and swiftly absorbed into the ideology of Third World economic development.

The issues have not changed in the 16 months since the new economic order was proclaimed, but the economic and political climate has altered dramatically. In the early months of 1974, many of the developing countries were riding on the crest of a world commodity boom. Oil prices had just been quadrupled and "producer power" was an infectious concept. Since then the *international economy has drifted* into the deepest recession for 35 years, commodity prices have dropped sharply and relations between the rich and poor countries have become more bitter.

But, perhaps, more importantly, many leaders in the western world have come to realize the potentially explosive nature of the festering grievances of the developing nations, which have made the cleavage between the northern and southern hemispheres, arguably, more important on the political world stage today than the east-west divisions. From a position of apathy or even latent hostility, to the demands of the developing countries, *there* has been a shift within the governments of the richer nations towards greater accommodation.

Whether the concessions now being considered by the industrialized group of countries will *come close to even the minimum* demands of much of the Third World will only emerge in coming months. Certainly, any such concessions will involve no more than a tinkering with the present economic order rather than providing the basis of a new one. Moreover, for the industrialized block the seventh special session is seen only as the beginning of a new dialogue.

For many of the developing countries, who believe that the present economic order keeps them in poverty, nothing but a clean sweep will do. For them the present system has profoundly contributed to the fact that 2,000 million of the world's population (including China) live in countries where the per capita GNP is conventionally estimated at less than $200 a year, while 600 million live in countries with per capita GNP which ranges from $2,000 to $5,600—and furthermore, it is a gap that is still growing wider. Mr Robert McNamara, President of the World Bank, estimates that for at least a billion people per capita income (in constant *prices) will only* grow from $105 in 1970 to $108 in 1980, while those in the developed world will increase from $3,100 to $4,000—$3 against $900 over an entire decade.

The reason for this ever-widening gap is held to lie in a system which casts the developing countries predominantly as suppliers of raw materials, a reservoir of cheap labour for the industrialized nations, and a market for the rich countries' exports of capital equipment, manufactured goods and technology.

At the same time, inflation in the industrialized countries means that the cost to the Third World countries of their manufactured imports inevitably increases faster than the value of their earnings from exports of primary products. Last year the prices of developing country imports—the large majority consisting of manufactured goods—rose 40 per cent, while their *export prices increased only 27* per cent. The non-oil exporting members of the Third World are expected to see the purchasing power of exports of primary products fall by 13 per cent this year. Thus, the long-term adverse movement in the developing countries' terms of trade has been reasserted. Even the gains made during the 1972-74 commodity boom will be eroded by next year.

Another factor behind the poor economic performance of the developing countries is the trade restrictions imposed on Third World exports by the industrialized countries. These restrictions include a range of tariffs, quotas, countervailing duties and other restraints which are intended to limit imports of agricultural goods and crude manufactures wherever they compete with vested domestic *interests within the rich* countries.

Naturally, these trade restrictions usually become most severe in direct proportion to the degree of processing that the imported goods have undergone. This leaves the developing countries little incentive to establish processing industries and permits the industrialized countries to reap the benefit of the "added value" on most raw materials. This reveals most clearly the double standards employed by many critics of the Third World within the rich countries who fulminate against producer cartels such as that for oil but accept other restrictive trade practices which work to the advantage of the rich.

Yet, while denying developing countries the means to earn foreign exchange, the industrialized nations compete furiously to provide them with cheap-rate loans so that they can then afford to buy the western world's exports. The developing countries' share of world trade in manufactured goods is still only about six per cent, and only by raising this proportion can many of the developing countries improve their economic performance. The adoption of more liberal trade policies by the industrialized nations would transform Third World growth prospects.

Apart from *the effect on the* relations between rich and poor nations of this discriminatory trading system, it is clear that the collective commitment of the western block to foreign aid has also waned. The 17 richest countries allocated a mere 0.33 per cent of their aggregate gross national product to overseas development aid, compared with 0.52 per cent in 1960.

While Sweden ear-marked 0.72 per cent of its GNP to aid, Britain and the United States provided just 0.38 and 0.25 respectively. The World Bank estimates that on present projections the rich countries will allocate on average a mere 0.28 per cent to aid by 1980 and the United States percentage could fall to only 0.1[illegible] within the next two or three years. By contrast, in 1949 at the beginning of the Marshall Plan, United States Official Development Assistance amounted to 2.79 per cent of GNP.

The aid allocations of the oil exporting countries were last year (at almost 3 per cent of GNP overall) even more generous than those of the United States during the Marshall Plan. Yet if their aid budgets double this year to $10,000m (as is predicted) this will only just meet the cost to the other developing countries of their increased oil bills.

Ministers in the rich countries frequently dismiss as unrealistic the UN target of allocating 0.7 per cent of their GNP to aid. Yet this target could probably be reached in the second half of this decade if they merely devoted to aid about 2 per cent of the *increased* wealth which is expected to accrue to the industrialized nations in the next few years.

The agenda for the UN session reflects these preoccupations with trade and aid. If the session does not get bogged down in attempts to debar Israel, three or four main themes are likely to emerge. Foremost will be the widely canvassed proposals of UNCTAD (United Nations Conference on Trade and Development) of an integrated world commodity programme to stabilize raw material prices and compensate producers for falls in income. This programme, covering 10 commodities, envisages *the stockpiling of buffer* stocks and a huge multi-billion dollar fund to support prices.

Related to this is the Third World demand for some kind of index linking raw material prices to those of manufactured goods. Industrial development, foreign aid, multinational companies and the transfer of technology will also loom large in the debate. Institutional reform is also likely to be prominent. A recent study has proposed the total restructuring of the UN under which all the organization's social and economic functions would be re-grouped, responsibility for them going to a newly created post of Director-General.

Discussion of the restructuring proposals will doubtless provide the opportunity for developing countries to press for reform of other institutions like the World Bank and the International Monetary Fund to give them greater influence over policy.

Strong backing for most of the Third World's demands has just come in a report by the so-called Ten Wise Men who were given the task of considering the problems of economic development following Mr Harold Wilson's commodity initiative at the Kingston, Jamaica, meeting earlier this year of the Commonwealth Heads of Government. The report by this multi-racial team of experts, called *Towards a New International Economic Order*, has just been endorsed by Commonwealth ministers meeting *last week in Georgetown*, and it will be widely circulated among delegations at the seventh session. Britain has already made it clear that many of the proposals in the report are too radical for its appetite. Yet, it is seen as providing a basis for compromise.

Although the doves in … capitals, particularly in … ington, who favour … of accommodation … developing countries, … be in the ascendancy … hawks who favour … tion, the rich nation … certainly baulk at the … for an integrated progr… commodity price stab… and indexation. But Dr … Kissinger, United State… tary of State, is expecte… the seventh session … America, which has … viewed as the main … country among the ric… supports increased aid … poorest, food "buffer" … lower tariffs on Thir… exports, and, perhap… kind of scheme to … come growth for th… developed of de… countries.

Britain and some o… countries go farther … the case for interveni… market to support … modity prices on an … basis. But this is a far … the view of the Ten W… who say that it is noth… of wishful thinking … that "solutions to … poverty could be foun… by-case adjustments … essentially marginal ch… *They insist that the ra…* posals with which … now become identifie… minimum measures w… be "adopted on an int… level to alleviate the … of poverty — indeed … poverty—in which th… *of the developing w…*

With the social contract buried, the TUC has more than money in mind

Blackpool, Aug 31

A casual visitor to last year's Trades Union Congress in Brighton might have been forgiven for thinking that he was at the wrong jamboree. It was much more like a Labour Party conference, and the debates were clearly directed as much to the electorate as to the faithful membership. The *political-rally nature of the* event was reinforced by Mr Wilson, who did practically everything but name the date for the October poll in his speech.

Certainly, Labour's election campaign got off the ground there, with the establishment of the social contract as the chief electoral advantage of a Government that knew how to get along with the unions. It worked, but it all seems such a long time ago now. The collapse of the first *voluntary* incomes policy, rising unemployment, and the problems of the economy have conspired to transform the relationship between the TUC and the Labour Government, and the role of the trade union movement is necessarily more subdued. On a whole range of issues, from import controls to picketing, the unions have not got their way.

But it would be an unwise man who predicted the breakdown of the special relationship between the two wings of the Labour movement that carried it through two general elections. As the delegates to the TUC gathered in Blackpool over the weekend, no one was crying many tears over the failure of a policy adopted with such acclaim 12 short months ago. It served its electoral purpose, and the unions are now facing up to the real difficulty of making the transition from a loosely defined incomes *policy to one so clearcut* as to defy the traditional negotiators' game of "find the loophole".

The failure of the original version of the social contract to restrain wages for very long is frankly admitted. Mr Len Murray, the General Secretary of the TUC, concedes that the battle against high wage claims was being lost even before the miners' large settlement in February. The fault lay largely with the TUC, whose influential Economic Committee did not lay a heavy hand on union negotiators.

Specifically, the TUC did not attach sufficient importance to special factors at work—pressure for higher London weighting, and the wage revolt in Scotland. And the overall impact of rising prices was "perhaps understandably greater than we had allowed for".

Photograph by Harry Kerr

Beside the seaside: Mr Jones (left) and Mr Murray yesterday.

What makes the difference between those abortive guidelines and the £6 flat rate policy being implemented now? "The real difference is that people themselves are more worried than they were 12 months ago by rising prices and by loss of jobs".

"It was important that we should have taken that policy decision last September. I think it was helpful temporarily, but it did not persist as long as I had hoped. But the very lack of success of the *policy is in itself an educative* influence on the unions and their members.

"The test is always, 'Is it the right thing to do?' It was the right thing to try for the policy. That we have not succeeded to the extent we hoped for is not a criticism of the policy. It is a criticism of our failure to explain it, and make that crucial connexion in people's minds."

The new policy will be adopted on Wednesday, and in the wake of the miners' three-to-two vote in favour it will certainly hold for a time. Mr Jack Jones, the most consummate politician on the TUC General Council, who is overridingly motivated by a desire to keep the Labour Government in power because it can achieve so much more for the unions, rates the policy's chance of running a full year as good. There is even a suspicion that it could be prolonged right through the next year if tax relief were granted on the £6 figure, or something like it.

After all, though their nature has changed, the political stakes are still high. The election has been won and the Government is committed to legislation (largely on the TUC's model) on industrial democracy—that euphemisti*cally neutral catch-all* description for the vast widening of trade union influence in the conduct of industry that is intended. If the TUC can deliver broad support for the £6 limit for the full term of the policy, its political standing will be increased immeasurably, and the wide range of industrial reforms surfacing in the work of its industrial committees stand a much greater chance of being put into practice. These range from nationaliz*ation of the road haulage in*dustry to council workers taking part in local government.

This is presumably what Mr Murray means when he says that "life is more difficult than congress resolutions. Getting Acts on the statute book is a complex business". The conviction that the unions are willing to make short-term sacrifices in the living standards of their members in return for greater long-term influence in the social and industrial fabric *of the country is becoming in*escapable.

If that argument is accepted, it leads on to the conclusion that the small print of this week's congress will be as important in the long run as the big decision on economic policy—which is a foregone conclusion, anyway. The kind of initiatives that the TUC will be pursuing over the next decade will emerge from the debates on individual industries and on individual issues, such as factory occupations.

Traditionally, when their collective bargaining activity is curtailed by a restrictive incomes policy, the unions turn to other things. Their programme will be clearer at the end of this week, and it is likely to prove as radical as anything they could have done about wages.

Paul Routledge
Labour Editor

How Britain's economic difficulties help the Soviet grand strategy

Lord Chalfont

This is the last of three articles on Warsaw Pact foreign policy written after discussions with Major General Sejna, a leading official of the Czechoslovak Communist Party, who defected to the West in 1968.

It is not surprising that there have been, after the first two articles in this series, genuine doubts about the *bona fides* of Gen Sejna, as well as deliberate attempts to discredit him and to diminish the value of the information on Soviet foreign policy which he brought with him from Czechoslovakia. They have fallen into a number of fairly predict*able categories, and it might be* as well, before examining the place which Britain occupies in Russian planning, to comment on some of the views

The first, and most easily dealt with, is the suggestion put forward by a few self-styled experts that Gen Sejna's facts are wrong—that meetings and other events which he described did not in fact take place. It seems hardly necessary to say it, but I have checked the relevant details with independent *sources, who confirm in* every case the factual accuracy of what Gen Sejna has said. Then there is the suggestion that his defection was not political, but was motivated by his fear of criminal prosecution.

It is, indeed, true that he was under investigation by the police of the Dubçek regime when he defected, and it is right that this should be taken into account when weighing his evidence. It does not, however, seem to me to be a decisive or even a very important factor.

A third area of suspicion is that Gen Sejna is "controlled" by Western intelligence agencies and that his information is part of a coordinated exercise in cold war propaganda. My only useful comment on that is that whenever I met Gen Sejna I met him alone, at times and places of *my* choosing and that I have taken the elementary precautions familiar to anyone experienced in these matters which are necessary to ensure that I am not being fed with an intelligence officer's brief.

Finally, it has been suggested that there is nothing in Gen Sejna's information which could not have been invented, with hindsight, by any reasonably intelligent defector. Although an experienced interrogator should have no difficulty in distinguishing fabrication of this kind from the truth, the proposition does, in fact, encapsulate a valid and very proper reservation about information *obtained from defectors or spies.* They have a tendency, well known in the intelligence world, to tell the interrogator what they think he would like to hear.

It is therefore important to emphasize that in writing these three articles I have relied only partly on Gen Sejna's evidence. Numerous other sources have been used, many of which confirm his information. This is *especially so in the context of* this article.

The basic assumption from which Soviet planners proceed is that Britain is in decline and that by about 1977 the economic and social situation will have deteriorated to a point at which it will be ripe for further exploitation. Indeed, Britain's economic weakness is a crucial element in Russian calculations, a fact which had much to do with the Soviet Union's implacable opposition to British entry into the European Community, which they feared might halt or even reverse the process of economic disintegration. The methods to be used for capitalizing on Britain's enfeebled condition, and the political and social turbulence which may be expected to accompany it, are set out in detail in the British section of the Warsaw Pact's secret long term Strategic Plan, which was largely completed by 1967.

The principal tactical aims are to accelerate the moral and spiritual decline of British society; to erode the capacity of Britain to defend itself against either external or internal attack, by undermining the effectiveness of the armed forces and the police; and to organize what is known in the Communist jargon as a "second power", based on the left wing of the Labour Party, the industrial trade unions and the Communist Party of Great Britain, and designed to usurp the func*tions of the "first power",* namely government and Parliament.

So far as the first of these aims is concerned, the Russians have no need to exert themselves unduly—the business of national demoralization is proceeding very well without outside assistance. More specifically, the Soviet Union has so far failed in its immediate aim of penetrating and subverting the armed forces and the police. Indeed Mr John Gollan, the General secretary of the British Communist Party, has earned the severe displeasure of his comrades in Moscow for failing to make any substantial advance towards what is regarded by Communist theorists as the essentially prerequisite of the successful overthrow of a capitalist government — the effective control of the armed forces. In this context Portugal is commonly regarded as a classical model. On the other hand as long as successive British governments are prepared themselves to engage in a substantial programme of unilateral disarmament, the Soviet Union might be justified in calculating that Britain's security forces will soon be too emasculated to worry about.

Furthermore, the Strategic Plan provides for the constant encouragement and exploitation of those "progressives" in the trade union movement and the Labour Party who demand massive unilateral reductions in the defence budget.

In the more general context of security, the Warsaw Pact countries have always appreciated the potential value to them of the situation in North*ern Ireland. As long* ago as 1[illegible]3 an IRA delegation visited Czechoslovakia, where they were received by a senior officer of the Ministry of Defence. Since then the Strategic Plan has included provision for financial support, a fairly continuous supply of arms and military equipment, and training facilities for Irish terrorists in Czechoslovakia.

It is however in the establishment of a "second power" that the most significant elements of the Strategic Plan for Britain emerge. Apart from some fairly routine James Bondery involving smear campaigns and other intelligence operations against "anti-progressive" politicians (one Warsaw Pact intelligence organization claims that one of its sources of information is a prominent member of the House of Commons), Soviet tactics are mainly directed towards increasing the influence of the "progressive" movement, namely th… left, including the B… munist Party and … sympathizers in the p… industrial wings … Labour movement. … for the establishme… kers' councils and f… in trade union leg… encouraged with the … enhancing the power … dustrial trade unions … is a plan for the est… of an all-European t… organization on the … the World Federatio… Unions—a body … more to do with the … tation of Soviet for… *than with the pr…* trade unionism as th… erally understood i…

The Communist … Great Britain, in s… considerable succes… trating the trade u… ship, is not regarded … by Warsaw Pact … parties, and some … ing of British cadres … tial leadership of … power") is carri… Eastern Europe. A … ber of Communist … bers (some selecti… British party and so … through intelligence … are given each year … organization course … terestingly enough … training in sabotage …

The Soviet plan i… the calculation that … 1980s the erosion of … tary government in … have reached an adv… and that the "seco… will be in a positio… the conditions of … crisis, political co… social dislocation … Russians believe will … It would, of course, … to suggest that what … ing, for everyone to … country, is the dire… a carefully formulat… formly successful … Soviet foreign policy. … ever, clearly demons… in many aspects of o… and industrial life, … being followed which … *indistinguishable f…* indicated by the W… Strategic Plan. It se… academic to specula… this is taking place … efforts of the Sovie… are succeeding or be… are people in this c… are prepared, out … minded idealism, ig… malice, to do their … them.

The Times Diary

Tackling the menace of the fat-hen

On my return from nearly three weeks holiday, the Brixton allotment was in better shape than I expected. It was much less discouraging than the weed-infested plot into which it had turned during an absence of *similar length in the Caribbean* during the spring. The simple reason, I suppose, is that now that the vegetables are bigger, the weeds show up less.

I think part of it had to do also with my application of Weedol, a paraquat solution, to the uncultivated section just before leaving. The ground is a pleasing brown in that area now, the convolvulus and other menaces hardly daring to show their heads. Many readers, though, tell me I should have used a hormone weed-killer on convolvulus; to kill it stone dead. Even the technical adviser to ICI, who make Weedol, says I will have to make several applications of it to the young shoots because "fresh regrowth will certainly develop from the massive underground rhizomes".

Still, I am a psychological gardener, and I think the reason the convolvulus now seems less active in the cultivated section could be that it has become discouraged to see its wilting brothers in the poisoned part. More likely, I suppose, is that it is approaching the end of its *season.*

In my absence a different weed has reared its delicately flowered head. Identifying it from a weed chart, it appears to be fat-hen (*chenopodium album*). It has fleshy green oak-shaped leaves below tiny white flowers, and it pulls from the ground easily.

Left to itself, though, it seems to grow fast, and is one of the things which seem to have done for my late sowing of peas, to which it apparently has a special attraction. I fear the peas will produce nothing, partly because of the weeds and partly, no doubt, because of the excessively hot and dry weather.

Tragedy, too, with the runner *beans. It is not* that they have not cropped—they have done surprisingly well—but that they came to maturity in my absence and grew too large and stringy. *Few are edible, save by the* really dedicated, though there is still a good amount of flower on them and I expect a further crop. The French beans, which I had been picking a month before I went away, are still producing prolifically.

Best news of all is about the marrows. Weekend dinner guests enthused about our Little Gems. They are the size of tennis balls and we served them with butter and seasoning as an hors d'oeuvre. We also *let the guests try some of* the Vegetable Spaghetti. This is a marrow which grows to about 12 inches long and whose innards have the form of spaghetti.

It is really at its best as a *spaghetti substitute,* with a *Bolognese* or some other suitable sauce. I cooked some thus for my small son, who is fussy about his food, and he paid me the compliment of asking for a second helping, even though I thought it was slightly undercooked. The trouble with these gimmicky vegetables is that there is little published guidance about how to cook them. I gave the two-pound marrow half an hour's rapid boiling, which seemed about 10 minutes too little.

But to return to our dinner party, we also supplied from the allotment a finely flavoured *tomato salad,* made with the Marmande variety; a green bean salad; and some lettuce which had matured conveniently while we were away. Compliments abounded.

The tomatoes have not been very prolific due to my omission, to which I have already confessed, in not pinching out the side shoots while they were young. All the same, I do not think my neighbouring allotment holder, the veteran ace cultivator, was getting at me *when he discussed growing* tomatoes just before I left for my holiday.

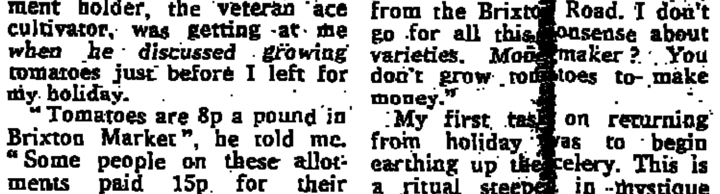
"Tomatoes are 8p a pound in Brixton Market", he told me. "Some people on these allotments paid 15p for their tomato plants, and they won't get two pounds off them."

He added that he had paid less for his plants—15p a dozen in Brixton Road—and that he expected a good yield, as indeed he seems to be getting. "I grew mine from seed", I said, *sensing* the chance to score a point. "I shall do mine from seed next year", he replied, conceding defeat. "I didn't have time this year."

But I tripped up trying to ram home my advantage. "What are yours?" I asked. "Moneymaker or Amateur?"—trying the first two varieties which came into my head.

"They're tomatoes", he replied trenchantly. "Tomatoes from the Brixton Road. I don't go for all this nonsense about varieties. Moneymaker? You don't grow tomatoes to make money."

My first task on returning from holiday was to begin earthing up the celery. This is a ritual steeped in mystique. My gardening book *tells me to* do it with real earth at fortnightly intervals covering four inches of the celery stem at a time, but being careful to let no mud get into the crown. And I am obeying those instructions.



Today's comforting sign was photographed by Harold Pearce of Saffron Walden.

Most others on the allotments, though, have tied corrugated paper round the stems. Percy Thrower on television suggested using newspapers and earth combined, but I am inhibited socially about using newspapers. The papers we get at home are *The Times, The Guardian* and the posh Sundays. I think it would be regarded as provocative by my neighbours to blanch my celery in those organs, and it is not worth buying *The Sun* specially.

Two readers swooped on a prize obfuscation by Robert Scholey, chief executive of the British Steel Corporation, quoted in the Financial Times *last week: "Although attempts to revise manning standards will be difficult, all our departmental managers must maximise their efforts to de-man their payrolls."*

Recycling

A western ambassador to the Soviet Union, who is also accredited to Mongolia, found that one of the first demands of protocol when he went to Ulan Bator to present his credentials was that he should lay a wreath at the mausoleum of Skhe Bator, the national hero of the Mongolian People's Republic. He was charged 150 United States dollars for a plastic wreath, which he duly laid. He later learned that the same plastic wreath had been sold and resold, laid and relaid by a long procession of other envoys before him. He has no doubt that it will continue to serve the same purpose for those who follow, contributing usefully to the Mongolian economy.

Not fresh

Continuing her search for the perfect hors d'oeuvre, Mirabel Cecil sees what British Transport Hotels have to offer:

It would go a long way to eat even baked beans in a setting like the Fontfort restaurant in the Charing Cross Hotel. It is redolent of the railway boom, the age of confidence at its most confident, with great marble pillars topped with curious winged creatures. From the domed ceiling in glorious pastel shades, a bronze chandelier hangs with lamp shades in exactly the wrong shade of bright pink.

Hors d'oeuvres were good value at £1 from a well-stocked trolley presented by a young waiter. Fruit appeared for the first and only time in my test in the shape of melon balls which were refreshing on a hot day, even though they were interspersed with tin… fruit and glacé che… landlady's summer s… cocktail. The pâté wa… notably absent wer… of any sort. England … been noted for favou… ness as a concept in …

There was too great … on tins and frozen … the kitchen had suc… the deplorable habit … ping the hors d'oeuvr… genteel cubes. Curl… suggested that much … been prepared earli… day than might h… thought desirable in … weather.

Still, it is a pretty … at £1 a head (exclu… and service) I would … hors d'oeuvres here … ing for my train tha… station buffet.

Next: Mr Chow's Restaurant.

The ultimate in don… appeared in The T… *Thursday. Dr Laurenc… Surrey University, … about the difficulty … places for sandwich … was quoted as saying … year, for example, L… six students, but this … will take none. Next … be worse than this."*

Annual financial and economic review 1
THE INTERNATIONAL SCENE

adical change in vorld's agenda

by Peter Jay

but far-reaching occurring in the world economic One consequence that the annual of the Internat- Monetary Fund oens in Washing- is in many ways important in the ears even though tion of the world is more parlous ny time since the

imary reasons for dox are that the f world economic has changed and that, partly in nce, the diplomatic nent in the leading —in other words, ministries, foreign and heads of nt—are making a d effort to wrest m the treasuries nance ministers year-long domina- nternational econo- irs. For the first IMF meeting is un- bly a side-show.

sixties the chief of the world as they presented s to protagonists rvers in the more countries, were financial. World l output in the in- ountries were grow- tainedly impressive least by any long standard. Employ- s generally high; ccasional recessions slight that any hey occasioned was igus.

fine words were y spilt by central and leading inter- monetary officials vils of inflation in trial countries. But the rates com- f—generally below nt—were so small lectures on finan- v were hardly taken riously even by ninisters.

verty of the deve- ountries was real But the leaders of r countries had not the means of translating their grievances into an effective political leverage on the countries of the West which dominated the management of the world economy and its financial system.

It is hard now to recall that the overriding preoccupation of those days, wherever two or three finance ministry representatives were gathered together, was with the balance of payments adjustment process and with financing those balance of payments imbalances which were not being adjusted, especially the perennial deficits of the countries responsible for the two reserve currencies.

The almost wholly artificial difficulties engendered by an over-rigid exchange rate regime monopolized the energies not merely of monetary technicians but also of the world's governments represented by senior politicians as ministers of finance.

In such circumstances it was natural that the IMF, where world money and credit could be created and where the world's finance ministers met in plenary session once a year, should become a main forum of world economic debate and even action, displacing into comparative obscurity the successful work in liberalizing barriers to trade of the General Agreement on Tariffs and Trade (Gatt) and the attempts of the World Bank (IBRD) to grapple with world poverty.

It was also noticeable that as the great historic occupations of diplomats—war, peace and political shenanigans—were more and more overshadowed at least in the medium-sized countries by financial problems, foreign ministries became increasingly uneasy at their exclusion from what had become the chief topic of international relations between the non-communist countries.

Now all that has changed. The financial problems of balance of payments adjustment have been effectively solved by the general application of floating exchange rates, notwithstanding the supposedly insupportable shock of the quadrupling of the oil price and the wrongly presumed inability of the oil producers to spend more than a tiny fraction of their new wealth. No one now cares about deficient international liquidity or regards the ebb and flow of his foreign exchange reserves as a critical measure of national economic health.

As a result the IMF, as a main source of man-made liquidity and credit for deficit nations and as the solemn arbiter of currency par values, has receded into the background. Nobody would now regard the formal agenda of current IMF sessions—the overdue increase in membership quotas, the accommodation of the fund's articles to the fact of floating exchange rates, the formal stipulation of the status of gold and of IMF special drawing rights in world monetary arrangements and the operation of the general and special loan facilities for countries in balance of payments difficulties—as major issues of the world economy.

Although it is in itself important that these issues should be amicably settled, if only to preserve the fabric of a cooperated regulated world currency system, these issues will not even take pride of place in the speeches of the world's finance ministers this week. Their attention, as is the way with politicians, has shifted to the areas of principal anxiety, namely the world recession, the world inflation and the altogether more powerfully articulated demands of the world's raw material producers.

As the OECD explained in its July *Economic Outlook*, "the last six to nine months have seen .... the sharpest decline in output and the highest unemployment since World War II". This heavy price—"in the 18 months from the second half of 1973, gnp fell by about 7½ per cent in the United States and virtually stagnated in the rest of the (OECD) area taken together, compared with typical past rates of increase over an 18-month period of around 6 per cent and 9½ per cent respectively"—still left historically high inflation rates, likely in the OECD's judgment to "level off at around 8 per cent in 1975".

Whatever view is taken of the respective contribution of monetary and non-monetary disorders to this sharp secular acceleration in inflation rates in the industrial countries there can be no mistaking the conviction of the political leaders in all the major countries that this deteriorating trade-off between employment and price stability is a direct and present threat to the foundations of political stability in the democracies.

There is also a growing realization, even in the United States if not in the United States Treasury, that the stability of the wider world political order depends on some effective response being found to the demands of the poorer countries represented in the "Group of 77" for a bigger share of the world's prosperity. At the least these problems are seen in financial deficits that threaten the stability of institutions like the World Bank which is a prominent symbol of the political and economic order.

This last concern is in part why this week's special session of the United Nations General Assembly in New York is seen by many governments of the West as more important than the IMF meeting in Washington and why it is therefore attracting a higher calibre of political representation. But the foreign ministers and heads of government are not leaving their counter-offensive against the finance ministers there.

Clearly the political stability of their own countries is of even greater concern to them—with the possible exception of Dr Kissinger whose broader outlook is probably unique and only possible for an American Secretary of State—than the world political order.

Herr Helmut Schmidt, the West German Chancellor, is perhaps the most persistent and extreme exponent of the view that the political economy of the West is tottering and can only be salvaged by extraordinary efforts of cooperative statesmanship on the part of the four or five leading industrial nations. But France, Japan and Britain are not far behind him; and President Ford and Dr Kissinger seem to have been persuaded in recent meetings at Helsinki and elsewhere that, even if the stability of the United States itself is not directly threatened, that of its natural friends and allies is.

Hence the unannounced agreement in Helsinki to hold a summit meeting of the four or five (Japan's inclusion seems to be in some doubt) before the end of the year to discuss world economic issues in an urgent and political context under the management of foreign ministries rather than of finance ministries.

This development is influenced by the fact that the heads of government in two of the four countries (West Germany and France) and the foreign minister in a third (Britain) are former finance ministers accustomed to the practice of international economic cooperation in the Group of Ten.

There has been a difficulty about the United States where the present Secretary of the Treasury is profoundly hostile to all politically motivated attempts to manage the world economy by modifying the hard application of market principles and where neither the head of government nor the foreign minister has any direct experience of economic policymaking.

However, it seems that this difficulty has been overcome by Dr Kissinger's conversion to the view that world economic issues are almost as crucial as world security matters and by the President's willingness to recruit a distinguished and politically accomplished former Secretary of the Treasury as his special representative in these matters.

What is still in the deepest doubt is whether the Schmidt - Giscard - Kissinger - Callaghan axis has a comprehensive analysis, let alone a plausible remedy for the fundamental crisis of world political economy which they discern beyond the monetary preoccupations of the finance ministers.

For a start they have to overcome the reflex antipathy of French officialdom in foreign and finance ministries to any cooperation with the United States.

Unquestionably, President Giscard has embraced a much more liberal view, aided by his intelligence and his experience of international economic affairs. But it is still unclear how statesmen with so many more ephemeral preoccupations can develop a proper diagnosis of the problem, however vividly they perceive its present manifestations.

These are the real world economic challenges of the next 12 months and probably of many years to come. First, is the world economy merely suffering from a temporary disturbance caused by an over-reaction to the 1971 recession and by the quadrupling of the oil price from which a normal recovery can be expected? Or is the unprecedented inflation and its association with higher and higher levels of unemployment a manifestation of a much more malign secular trend? Are the world's rising expectations, population, and militancy in demanding immediate redress of grievances combining within and between nations to impose an insupportable burden on the world's resources and productive capacity? Is this, moreover, a burden which, if not supported, will crush democracy and stability in rich and poor countries alike?

Second, if the graver diagnosis is right, how precisely can world statesmen move to prevent disaster? What combination of recession and incomes policies in the weaker countries with what degree of domestic reflation in the stronger countries can be reconciled with the opposed political realities within those countries? What deal between rich and poor nations can conceivably reconcile the opposed political pressures of organized labour in the industrial countries and politicized poverty in the raw material producing countries?

The postwar world economy has exhibited a notable resilience, repeatedly failing to succumb to the catastrophes which constantly threatened. On the other hand, the escapes have consistently taken the form of buying time and postponing the evil hour rather than of true solutions.

Consequently, the threatening tidal wave has grown steeper and higher as it has been pushed back. Inflation has in true sense been the safety valve of political stability, the unseen hand which temporarily accommodated the imperatives of political survival to the imperatives of economic supply by debasing the coin in which unfulfillable political pledges were made.

That party is now over. In the rest of this decade world statesmen must either persuade the world's population to live within the world's means or be overwhelmed when a furious citizenry discovers the hard way that a broken pint pot not only does not contain a quart but does not even contain a pint.

The author is Economics Editor, The Times.

Vince Farrell/Malkolm Warrington

Parts II and III of the Annual Financial and Economic Review will both appear tomorrow.

Tussle over fair deal for primary producers

by Melvyn Westlake

In spite of the drop in world commodity prices during the past 16 months, the producers of primary products have succeeded in consolidating the shift of power in their favour, which has occurred since 1973. All the economic diplomacy of the United States has failed to turn the tide of "producer power" that flowed from the quintupling of the oil price, the unprecedented commodity boom of 1972-74 and the intensified exploitation of the earth's resources.

A fairer deal from the rich consumer nations in world commodity trade has become the touchstone of the "new international economic order" promulgated by developing countries at the epoch-making special session of the United Nations General Assembly in the spring of 1974.

From an initial position of undisguised hostility, the industrialized nations have been forced to consider seriously the prospect of some new arrangements for commodity trading.

There are several powerful pressures forcing the rich countries to move reluctantly in this direction. First, there is the danger of another commodity boom when the international economy recovers from the present recession. This would provide a sharp upward twist to world inflation. Second, there is the near refusal of the oil-exporting countries to discuss energy problems in isolation from other goods. Third, there is the dangerous deterioration in relations between the earth's rich and poor nations, which has become a destabilizing factor in international politics. Finally, there is the fear of other cartels being created in the style of the oil cartels which, even if they are not all successful or long-lasting, will serve to undermine the fragile world economy and increase the trend to regionalism as the main industrialized nations seek to secure their supplies of raw materials through bilateral arrangements with producers.

For all these reasons the large raw material-consuming nations have been forced into the most fundamental reappraisal of commodity trade since the war. But if there is almost universal agreement that changes have to be made, there is no agreement among the rich countries about what action is necessary or desirable.

Many nations remain ideologically resistant to any interference with the free forces of market supply and demand. Even some governments are divided. The United States Treasury, for example, epitomises the hardline school, preferring a policy of confrontation with the developing countries; while the State Department, under Dr Henry Kissinger, is clearly prepared to compromise.

These divisions have seriously hampered the search for a solution. Although committees have been established within the Organization for Economic Cooperation and Development (OECD) to consider the problem which represents 24 mostly industrialized, non-communist countries, hopes of achieving any agreed initiative in this forum have receded.

Only within UNCTAD (the United Nations Conference on Trade and Development) have consumers and producers managed to hold fruitful discussion. The UNCTAD Committee on Commodities, which normally meets once every spring, is holding two further sessions this year in an attempt to arrive at a considered policy. For many months the UNCTAD secretariat in Geneva has been working out an ambitious multi-billion dollar scheme for an "integrated commodity scheme" which envisages the creation of buffer stocks for many raw materials, to help stabilize prices. Such a scheme, the secretariat hopes, could level the peaks and troughs in the producers' earnings, and thereby provide them with greater control over their economies.

Between the conservative irresolution of the OECD and the radicalism of UNCTAD lies the position identified with the Prime Minister, after his initiative earlier this year at the Commonwealth heads of government meeting in Kingston, Jamaica. His suggestions included the encouragement of producer-consumer associations for individual commodities, agreements designed to facilitate the orderly conduct and development of trade in primary products, negotiated price bands within which market forces would operate and the establishment of schemes to stabilize export earnings.

The essential difference between these proposals and the UNCTAD scheme is that they are less all-embracing, permitting a more piecemeal approach dictated by the differing circumstances of the commodity and its producers.

The importance of Mr Wilson's initiative was that it came at a time when deadlock between the producers and consumers seemed most complete, only two weeks after the breakdown of the ill-fated Paris energy conference. Initially, it had been intended that this conference would be confined to the oil exporters and the large oil consumers. But the oil states, led by Algeria, insisted that a wide range of other commodities be discussed as well and the conference had to be called off. Whether this conference can be reconvened again this year will depend on the general temper of relations between rich and poor nations.

The positions of the two opinion blocks of countries still seem far apart, in spite of the counsels of moderation in both camps. Moreover, the concessions that the industrialized group now seems prepared to make have come too late to have a profound influence on the attitudes of the other side. Dr Kissinger outlined the evolving, and rather more accommodating, approach of the Americans in his famous Kansas City speech on May 13. He saw the need for new marketing arrangements for individual commodities and for the World Bank to promote raw material production, but he remained firmly opposed to Third World demands to have commodity export prices indexed to the prices of the manufactured goods that developing nations buy from the industrialised nations. Dr Kissinger was certainly opposed to the kind of "new international economic order" which the poor countries aspired to achieve.

In an attempt to get the energy conference restarted, the Americans have also suggested a compromise formula, under which three separate commissions would be established to discuss energy, raw materials and broad problems of economic development.

The Third World reaction to this formula has been guarded, if not hostile. Initially, it seemed that only the energy commission would do substantive work, while the other two would be confined to "monitoring, supplementing and orienting work done in other international institutions." This would have made the American formula unacceptable to many of the more vocal of the developing countries. But more recently it has been suggested that each commission should have equal status.

It remains far from clear how all these strands—OECD and UNCTAD deliberations, and the Wilson and Kissinger plans—can be woven into a coherent strategy for economic development in general, and commodity trade in particular, satisfying both the rich and poor worlds. The key to success or failure could be this month's critical special session of the United Nations General Assembly, which may prove to be the chance of a new start. Another important influence will be the direction of the international economy and the consequent effect on commodity prices.

A strong worldwide economic recovery and a fresh commodity boom—with attendant shortages and high prices—would place the producers in a supremely powerful position to reinforce the shift of power to them, while increasing the pressure on the consumers to make concessions. However, there seems little likelihood of any significant recovery in commodity prices before the second half of 1976 and in the meantime the slide in the prices of many primary products seems certain to continue.

There is no reason why weak prices should necessarily undermine the producers' campaign which has drawn much of its strength from the long-term underlying imbalance that many economists believe is emerging between the increasing consumption of manufactured goods and the slower production (and reduced accessibility) of many raw materials.

But the actual extent of the commodity price falls has been considerable and much greater than expected early in the summer of 1974 when the decline began, a reflection of the unforeseen depth of the recession. *The Economist* commodity index, covering all items, has dropped some 24 per cent between the beginning of May, 1974, and mid-summer this year.

This follows the huge 160 per cent rise over the previous 28 months. Of the main components of the index, metals showed the largest fall, losing no less than 54 per cent of their May 1974 value, while fibres have slumped 26 per cent and food products have dropped by 15 per cent. The forecast is for the main industrialized nations to begin increasing their aggregate output in the past few months of this year, but the effect on commodity prices is unlikely to be apparent for at least 12 months.

This situation of falling commodity prices and rising prices for manufactures perfectly illustrates the grievances of the developing countries and goes straight to the centre of the tensions between rich and poor.

Paralysing blow to hopes of reducing poverty

The rapidly deteriorating trade position of many developing nations is producing a crisis of huge proportions and causing growing concern in Washington and Brussels no less than in, say, Lima, Accra and Manila.

For most countries the advent of the worst international economic recession since the Second World War means not just a drop in industrial output and a small percentage cut in general standards of living but a paralysing blow to their development and any hopes of reducing poverty. The countries of the Third World which are not oil producers have borne the brunt of the economic storm. Although their exports continued to expand during 1974, the increasing cost of food, oil, fertilizer and manufactures pushed their necessary imports up even faster. Their aggregate trade deficit rose from $11,000m in 1973 to $24,000m last year, according to figures compiled by the staff of the General Agreement on Tariffs and Trade (Gatt).

Forecasts suggest that the situation this year will prove even worse. Mr Johannes Witteveen, the managing director of the International Monetary Fund, recently estimated that the combined current account deficit of the non-oil developing nations would reach $36,000m this year. But the situation was already serious last year when rising import prices helped to push up the bill for purchases of foreign goods to $119,000m, a 50 per cent increase on the 1973 figure.

This great increase in imports was partly financed by earnings from the commodity boom — something which cannot be repeated this year. Instead, they will have to draw on their official reserves and get deeper into debt.

Of course, non-oil developing countries do not aim at balancing their export and import positions with the rest of the world; a deficit represents a net receipt of real physical resources from other countries. None the less, money has to be found to bridge the gap and if a heavy price has to be paid for this finance then nothing is gained.

Apart from drawing upon official reserves or borrowing from the international money markets, the sources of finance available to the developing countries are the large multinational companies of the West when they invest directly in the Third World, and the overseas development aid budgets of the rich nations. Funds from these two sources have customarily bridged the Third World's trade deficit. However, the level of direct investment fell in 1974, partly as a result of the weak international trading climate. It is also likely to show a fall this year.

By contrast, aid money has been increased. In fact during 1974 there was a rise of almost 21 per cent in aid from the 17 chief donors within the ranks of the industrialized countries, bringing the total to $11,300m. Yet in spite of this increase in money terms there was almost no rise in real terms, as inflation eroded the value of the higher figure.

Moreover, if measured as a percentage of the rich countries' gross national product, their aid has actually shown a long downward trend. A mere 0.33 per cent of the combined g.n.p. of the 17 donors was allocated for official development assistance in 1974. Only Sweden now meets the United Nations aid target, which requires donor countries to provide 0.7 per cent of their g.n.p. in aid. Britain and the United States gave respectively 0.38 and 0.25 per cent last year.

The extent to which inflation has diminished the value of official aid is seen most starkly when divided by the recipient populations of the Third World. Thus the total of aid from the 17 rich industrialized donors amounted to the equivalent last year of $5.60 a head of population in the developing countries. This compares with $3.70 a person in about the middle 1960s. But in real terms such aid has fallen in the past 10 years to less than $2.95 a head.

By comparison with the worsening real aid performance of the industrialized countries the oil-exporting countries are proving generous with their new-found wealth. They are estimated to have provided some $2,540m in official development aid to their less well endowed brethren.

This sum is, of course, much lower in money terms than that provided by the Development Assistance Committee of the Organization for Economic Cooperation and Development, which is the 17 western donors' club. But as a percentage of the oil states' gross national product their aid amounts to about 1.8 per cent.

Moreover, these figures refer only to actual disbursements of aid. It can take several years to build up an efficient aid programme, and the oil states have not been able to disburse aid in step with their various pledges and commitments. Therefore as they improve their aid programmes the level of actual disbursements could rise rapidly. On the other hand, it is true that so far aid to developing countries from the oil states has been much more concentrated and on tougher terms than aid from the 17 members of the Development Assistance Committee.

However, what is abundantly clear is that in spite of this general increase in aid (from both oil exporters and industrialized countries) it will not be enough to meet the difference between the exports and imports of many of the poorest Third World nations. Inevitably they will have to reduce their foreign purchases of even crucially important goods and consequently revise their development programmes.

The World Bank estimates in its latest annual report that, with the prices of raw material exports falling and the prices of imported manufactures rising, the purchasing power of the developing nations' earnings from commodity sales will drop by some 13 per cent.

Some of the better placed of the developing countries, with annual per capita incomes of more than $200, are particularly affected by the decline in the growth rates of industrialized economies. The demand for many of the goods and services that earn their foreign exchange — tourism, non-ferrous metals, and some other materials like rubber, timber and fibres—is highly sensitive to economic conditions in the rich countries such as the United States, Japan and the members of the EEC.

Thus, as the World Bank states, the inability of the industrialized group of countries to resolve its own economic problems directly hits the earth's poor. Latin America has been especially affected by the troubles of the world economy because in addition to raw materials it exports some less advanced types of manufactured goods. Sales of these are expected to topple by $1,000m this year.

In the face of adverse world conditions the developing countries have been forced to drop cherished schemes and also to take steps to redirect production and investment.

Egypt and India are among those that shifted their focus towards better use of installed productive capacity and away from buying new plant.

But if large sums of money are needed from the rich just to keep the poor countries afloat during the present recession, much more still is required to help them actually to strengthen their often backward economies. The World Bank estimates gloomily that if developing countries as a whole are to reach the desired growth rate of 6 per cent a year by 1980 the amount of additional money required is likely to be far beyond any actually likely to be forthcoming by way of aid, investment or borrowings.

The only alternative is that the developing countries should be permitted to earn much more from their trade. This means that the rich countries will have to lower the barriers erected against the exports of the Third World. Such barriers are put up against simple manufactures like textiles and shoes, and processed primary products sold by the developing countries, in order to protect the jobs of workers in the industrialized nations. Yet the World Bank believes that if barriers against raw materials alone were dismantled impressive short-term export gain could be achieved by the Third World. These additional earnings could, by 1980, be equal to half the amount of foreign exchange needed to lift the growth rate of developing countries to 6 per cent. But it is particularly important for the Third World to increase its trade in manufactures, which provide most scope for a long-term trade growth. Although manufactured goods now account for 25 per cent of the total exports of developing countries, their share of total world trade in manufactured goods is still only about 6 per cent. Barriers against Third World exports of manufactures will have to be eliminated, together with those against primary products, if a really significant improvement is to be achieved. Perhaps, equally important, the industrialized countries will have to shake off the present recession and return to a high rate of expansion so that the Third World's exports can be absorbed. Under such conditions it is estimated that the poor nations' foreign sales of manufactures could increase at something like 15 per cent a year.

Even if growth in the industrialized world is slow there now seems a strong chance that the large financial surpluses of the oil states could help to provide significant markets for goods from non-oil developing countries. But useful as this may be, only an end to the world recession can offer any real hope. If, as some economists have predicted, the next revival in the international economy is only weak and short-lived, the prospects for the bulk of humanity will be dismal indeed.

M.W.

Rare case where solution preceded predicament

by Tim Congdon

It is not easy to believe that only a year ago the international financial community was preoccupied with the so-called "recycling" intricacy. Dire warnings of collapse appeared every day as there seemed to be no way in which the dollars accumulating in the hands of the oil-producing countries could be channelled back to the West. Most of these warnings now seem, to put it mildly, exaggerated. It has been one of the rare cases in history where the solution preceded the predicament.

The main reason for the growing indifference to the questions is that the trade surplus of members of the Organization of Petroleum Exporting Countries only briefly reached the scale foretold in the horror comics published by the Organization of Economic Cooperation and Development and the World Bank early in 1974. The oil revenues reached their peak in the third quarter of 197[illegible] when they amounted to $[illegible]00m. Since then they have declined to $25,300m in the first quarter of 1975.

Part of this fall of [illegible] per cent is due to delays in company payments to exporting countries. But most is attributable to the recession in the world economy and the substitution of other energy sources for oil. Substitution has plainly been substantial because the drop in imports has been far greater in volume than the drop in OECD output.

Moreover, the balance of payments surpluses of Opec countries, as distinct from total oil revenues, have been smaller than expected and have diminished even more quickly. The Opec surplus was at its highest in the fourth quarter of 1974 when it stood at $[illegible],400m. By the first quarter of 1975 it had been halved to $8,[illegible]00m.

This reduction in the payments surpluses is because of the fall in revenues and increased purchases of goods and services from the West. The rise in Opec imports has dumbfounded most predictions from government organizations, banks and miscellaneous economic consultants who a year ago were estimating indices of "absorptive capacity" (in plain language, the ability to spend money) for the main oil exporters. In the event the oil exporters have indulged in extravagances of forced industrialization and have not found it difficult to spend money.

Nevertheless, the rise in the oil price has had profound effects on the international monetary system and on the conduct of domestic monetary policy in the OECD countries. An insight into the upheavals it has caused may perhaps best be gained by recalling some of the "scenarios" which were fashionable at the beginning of the oil crisis.

The first and most common scenario diagnosed worldwide financial in[illegible]tion. The total Opec surplus over a five-year period would come to about $400,000m or $500,000m by a crude extrapolation of the outcome in the third and fourth quarters of 1974. But the total value of all the financial assets on sale in the West was estimated as only two or three times this figure.

The implication, therefore, was that either the Arabs would come to own half of the West's industrial capital or that the world financial system would break down under the strain of these enormous amounts being bought and sold at the whim of oil shaikhs. Happily, this implication has turned out to be wrong. Indeed, it now sounds more like something from science fiction than from the circulars of leading banks and stockbrokers.

The Arabs—or, more correctly, their investment advisers usually recruited from conservative Anglo-Saxon financial institutions—turned out to be highly responsible. The main refuge for their funds was the London Eurocurrency market. Out of a total Opec surplus of $56,200m in 1974 no less than $13,800m was left on deposit in this market.

There were some doubts about the ability of the banks to cope with the enormous increase in business which this represented. However, the difficulties were overstated. The total liabilities of banks operating in the United Kingdom in foreign currencies (roughly speaking, Eurocurrency deposits) amounted to $154,345m at the end of November 1974. In other words, Opec deposits still made up less than 10 per cent of the banks' liabilities.

For most of 1974 the dollar was a weak currency, losing ground to all of the European currencies and at times even to sterling. The oil producers became concerned about this situation because it lowered the purchasing power of their receipts and in early 1975 a decision was taken to express the oil price in special drawing rights at some future date.

The other main investment outlets in the West were government debt instruments, particularly United States and United Kingdom Treasury Bills. Their attraction was that they were free from default risk and therefore did not require sizable investment appraisal. Indeed, the oil producers showed themselves generally uninterested in equity or other forms of industrial investment because of the dangers involved and their own conspicuous lack of financial skill.

Investment by Opec countries in United States Government securities was $6,000m in 1974 and $900m in the first quarter of 1975. United Kingdom Treasury bills attracted $2,700m in 1974 and $600m in the first quarter of 1975. More modest amounts [illegible] vested in British [illegible] ment gilt-edged s[illegible]

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World banking markets make comeback

by Christopher Wilkins

During the past two months the volume of new loans syndicated in the international banking markets has been running almost at the levels seen in those hectic carefree days of early 1974—if not yet quite on the scale of that one dizzying month when no less than $6,000m of credits were announced. After a period during which loans of more than $50m were notable events, deals involving between $200m and $500m each have been tumbling into the market one after another.

The revival represents a remarkable about-turn, reiterating how strongly confidence has returned and how resilient the Eurocurrency market has proved itself to be. It was, after all, only just over a year ago that the market was gripped by a severe bout of uncertainty, reaching close to crisis proportions, following in the wake of the Herstatt Bank collapse in West Germany.

Depositors took fright, unsure about the security of their funds in a market which appeared to have no lender of last resort in the sense that domestic banks have central banks to which to turn in the event of big troubles developing.

Belatedly, it was acknowledged that many banks had taken on rather large commitments to borrowers and were in some cases becoming extremely heavily borrowed at the same time that the rapid rise in oil prices had made their balance of payments outlook increasingly suspect.

Herstatt Bank and Franklin National Bank of New York were potent reminders that banks were highly vulnerable to issues of mismanagement. It could be seen that the heat of competitive pressure had pushed many banks into unusually rash lending policies, as witnessed by the miserably low level of profitability that the banks derived on much of their advances in the great borrowers' market of 1973 and the first half of 1974.

In short, reaction set in to the earlier excesses. Many banks found it extremely difficult to generate deposits at all and, where they could, it was frequently for only the shortest of maturities and at a significant margin over the prevailing interbank rates in the London Eurodollar market.

Out of the 400 or so banks around the world which at the peak had participated in the market, those immune from such difficulties amounted to a mere handful—chiefly the American leading banks and a few of the biggest European banks. Inevitably, the volume of loan syndications arranged fell away sharply, the second half of the year seeing only a fraction of the loans which had been put up in the first half.

Against this sobering background the progressive revival this year has been remarkable—if also an acknowledgment that the depositor reaction during 1974 had been overdone, with indiscriminate blanket judgments being applied and little attempt being made to differentiate between well managed and sound, if smaller, institutions and others which lacked such qualities.

While some of the fears proved over-alarmist, not all did. The early months of this year saw the difficulties of possible default by borrowing countries looming larger.

The most serious situation was that of Pertamina, the Indonesian state energy concern which had been the vehicle for much of Indonesia's foreign currency borrowing. In part the problem was a technical one with some uncertainty arising over how far the state stood behind Pertamina. There were also some worrying delays in payment of interest to banks and the situation was only resolved when the state assumed Pertamina's obligations in foreign currency borrowings. Since then much of Pertamina's borrowings have been refinanced.

IMF called in to Zaïre's aid

Others to cause concern were Zaïre, copper rich but suffering under the pincer squeeze of soaring oil costs and a slumping copper price; and North Korea, which was late in meeting payments, both of interest on loans and of some promissory notes, issued in connexion with trade transactions and widely sold to companies and some banks. In Zaïre's case the issues were such as to lead to the calling in of the International Monetary Fund, which put up a stabilization programme as a condition for making various credit lines available.

More fundamentally, however, the Eurocurrency market was faced with a threat to its liquidity as it became apparent that the surpluses of oil exporting countries were turning out not to be so great as had seemed likely.

How important these countries were as a source of funds for the Eurocurrency pool in 1974 is clear from the Bank of England's March *Quarterly Bulletin*. This showed that, while foreign currency interbank deposits in the United Kingdom shrunk by some £1,690m between May and November last year, the inflow of funds from central monetary institutions—essentially the oil exporters—had risen by £3,650m. This had sufficed to keep the market as a whole growing modestly to £66,360m.

Declining oil exports and a strong rise in imports of goods and services by the oil exporting countries has meant that the surpluses available for investment abroad have been contracting this year. Morgan Guaranty Trust has estimated that the current account surplus of the Organization of Petroleum Exporting Countries may have been only about $9,000m in the first three months of this year compared with $17,000m in the final quarter of 1974 and about $55,000m in 1974 as a whole. The second quarter surplus is estimated to be $8,500m and Morgan thinks the full year surplus is likely to be $40,000m or less.

Indeed, it points out, oil exporters—notably Algeria, Ecuador, Indonesia and Libya—experienced declines in their international foreign exchange reserves in the first five months of this year. The result has been that some of the exporters, far from being suppliers of funds to the Eurocurrency pool, have been returning as borrowers. Algeria, Iraq, Indonesia and even Iran and Venezuela have all been seeking loans.

Why then has confidence returned as strongly as it has? The first point to note is that the world's leading central banks, with the Bank of England to the forefront, responded rapidly to meet any doubts that may have existed about whether there was a lender of last resort and who ultimately would stand behind a Eurobank which ran into trouble.

The Bank demanded and rapidly obtained undertakings from the shareholders in consortium banks—the subject of the most uncertainty—that they would stand behind their offspring. Likewise it obtained undertakings from the parents of subsidiary banks which had been set up in London to transact Eurocurrency business.

It was agreed between the central banks themselves that, if the troubles of the London arm of a bank feed back to the point where it threatened to undermine the parent, the central bank of the parent would stand ready to lend support. Such a prompt response served to satisfy any doubts there may have been about the chain of responsibility underpinning the Euromarkets.

A further important factor has been the rising profitability for those banks which remained active in the Euromarkets, mainly because of the withdrawal of other banks from the market and the consequent transformation of the borrower's market into a lender's market.

Many of the higher risk borrowers, particularly developing countries, found it increasingly difficult to borrow at all. Others were able to borrow only by paying banks much more generous margins over interbank rates and by agreeing to repay more quickly.

Prime borrowers, for example, which had been able to raise 10-year loans at spreads of about ¼ per cent—a level which left the banks with negligible profits after expenses—have this year found themselves obliged to pay between 1 and 1½ per cent. They have rarely been able to borrow for more than seven years and usually only five. At the same time banks have tended to demand much larger management commissions and fees.

The prospect of better profit margins has undoubtedly encouraged many banks to return to the market. But perhaps more important still has been the pressure to step up international exposure to offset deteriorating domestic conditions.

Traditional depositors

Deepening recession in all the world's leading industrial economies has meant that loan demand from traditional domestic corporate and personal borrowers has been at a much lower ebb during 1975. This has freed resources for use elsewhere and has enabled banks to renew their interest in the Euromarkets without facing the difficulties of over-rapid growth in balance sheets that some had encountered earlier.

Increasing activity, combined with the receding prospect of further bank collapses, has generated its own revival of confidence. Whatever shortfall of funds into the market may have occurred appears to have been matched by the return of many of the traditional depositors who had preferred the safety of domestic to the apparent insecurity of the international markets during the dark days of 1974. As a result, many of the banks which were forced to pay premiums to generate deposits are now paying much closer to the prevailing interbank rates.

Indeed, such has been the scale of the recovery that competitive pressure is beginning to produce some reduction in interest rate spreads. But bankers insist they are determined that things should never again deteriorate to the point they reached in 1973 and 1974.

The author is Banking Correspondent, The Times.

Inflation is the price being paid for revival

by Frank Vogl

United States

The United States is pulling away from its worst recession since the Second World War. The pace of the economic revival is painfully slow and the ailing patient could still face some serious setbacks before regaining full health, but the underlying trend is clearly one of improvement.

The impact of the change in America's economic fortunes will increasingly be felt around the world as the country helps to push the world's economy out of its highly depressed state.

The latest statistics show clearly that the American economy is heading towards real growth in the gross national product. The decline in gnp in the second quarter was far below the record levels seen in the final quarter of 1974 and the first quarter of this year.

Unemployment appears to have reached a peak of 9.2 per cent in May and is slowly falling. Businesses have sharply reduced their volumes of stocks and goods and brought them into better balance with demand. Productivity and industrial output are starting to rise. Consumer credit and consumer spending are rising.

Many sections of the economy remain highly depressed, notably the construction and car industries, and demand for all manner of capital goods is very low. Most economists, in and out of the Government, expect the improvement to be slow, but there are some signs that official forecasts made in the spring were too pessimistic and that the second half of this year will see real gnp growth of 6 per cent to 8 per cent, rather than the earlier estimated 5 per cent.

But the improvement in the health of the economy also appears to be accompanied by a revival of inflation. The 14 per cent rate of price increases seen last year was well on the way to being replaced by a 5 per cent or 6 per cent rate in the first half of this year, but now the rate for 1975 may well be 8 per cent or more.

Large foreign purchases of grains, notably by the Russians, coupled with increases in oil prices, have pushed up the inflation rate. Many companies are set to increase prices in the near future and President Ford's oil strategy, which aims to reduce oil consumption and stimulate oil production through higher prices, is bound to add further pressures.

The Administration, however, is well aware of the dangers and is determined to ensure that the revival is not accompanied by a return to "double-digit" inflation. Key officials such as Mr Arthur Burns, Mr William Simon, Mr Alan Greenspan and Mr William Seidman are quite willing to accept high unemployment rates for the next four years if inflation can be reduced as a result, and President Ford is accepting their advice.

In recent weeks the Federal Reserve (Fed) has shown its willingness to tighten monetary policy to reduce inflation, despite the weakness of the economy and the protests of many Congressmen. The Fed will tighten the screw again if it fears that there is any danger of a new surge in inflation.

Similarly, the President will continue to veto spending bills as long as he sees inflation increasing and he is unlikely to accept an extension of the one-year tax cuts if inflation continues to rise at the 0.6 per cent annual rate registered by the consumer prices index in June.

The firm stand of the Federal Reserve, with its target ranges for the money supply growth at just 5 per cent to 7.5 per cent and its willingness to act to counter the expansion of the money supply caused by the tax cuts and tax rebates enacted by the Congress, has brought an important change in the trend of interest rates.

Between January and June the prime lending rate of the leading commercial banks fell from 10½ per cent to 6¾ per cent, but in recent weeks they have been increasing slowly and are likely to rise significantly.

The rise in rates has tempered the pace of the bull markets for stocks and shares, but investment analysts remain confident. American stock markets surged ahead with massive gains in the first half of this year, because of declining interest rates and of expectations of economic recovery later in the year.

Further advances are likely, albeit at a more moderate rate, because the pace of the recovery appears to be slightly swifter than was at first expected and because of growing optimism on the outlook for corporate profits.

Profits for most companies fell sharply in the first half of the year in line with the weakness in business activity. Companies have reduced their number of employees and their stocks of goods and now appear in better shape, with the prospect of gaining from substantial productivity increases.

Many analysts expect corporate profits to improve on a quarter-by-quarter basis, judging by the current quarter, and to start showing real earnings gains over the levels of a year ago, possibly by the end of the first or second quarters of 1976.

The construction and capital goods industries may take slightly longer to recover and the outlook for the car industry is depressing, although the leading manufacturers should be making profits by the final quarter of this year.

The car companies are in difficulty because they must raise prices to return to a strong earnings position and they are threatened by both higher oil prices, which will weaken demand for cars, and by intense competition in the American market from foreign manufacturers.

The increases in interest rates and the general improvement in the economy have brought fresh strength to the dollar, which only a few months ago was depressingly weak against most important foreign currencies.

The stronger dollar has brought increased foreign investment to the United States and the months ahead are likely to see further rises in the volume of purchases in government securities and in private stocks and shares by foreigners, notably oil-producing countries.

The increase in foreign investment should aid the development of a healthy balance of payments surplus this year. Indeed there is every sign that the country may well have an embarrassingly large surplus. In the first half of this year the recession resulted in a record trade surplus, as imports fell, particularly oil imports, and exports rose.

Coming months are likely to see some changes on the trade account, but the Department of Commerce still expects the trade surplus for the year as a whole to be between $4,000m and $6,000m, after a deficit of more than $2,000m in 1974.

The improvement in the domestic economy will almost certainly lead to higher imports, particularly for consumer goods and for oil. The extent of the increase will largely depend on the pricing strategy that the Organization of Petroleum Exporting Countries determines for world oil prices.

Meanwhile, exports are likely to be fairly weak in the second half of the year, despite some high foreign grain sales, because of the weakness of most foreign economies.

But the dollar is likely to continue rising. The main factor behind its strength will be the improving economy and further increases in domestic interest rates. Fearful of inflation, the Fed will have a difficult task in holding interest rates at current levels. There are several factors which force one to conclude that the coming months could well see brief periods of serious liquidity shortages in the money markets.

American bankers have faced many month extremely sluggish demand, but they are ing that many compani making agreements fo credit lines and they loan demand to pi fairly strongly as con spending rises in the r ahead. The increase vate loan demand ma cide with very heavy ing by the public sec The Government ... raise $50,000m or m the second half of th as the probability in that the current fisca budget deficit mig nearer $80,000m thar dent Ford's declared of $60,000m.

In addition, the ho demands of the cities states are likely to h and financial crises i cities could produce money market and difficulties as the events in New York C clearly demonstrated

For all that, the stration remains c and its confidence ap be both shared in th opinion poll ratin President Ford has b ting and in the fore nomic policy declar such men as Mr Simon, the Secretar Treasury.

The move away cession, the strong and healthier bal payments, have m Administration bor willing to accept trad lization at the new tariffs and trade in and more determine sure that America ests are protected national monetary ments.

America will firm French demands for to fixed exchange will increase press the sale of gold markets by the Inte Monetary Fund and less eager than ever to wide internation tary reforms until i lutely certain that forms are in its be est.

Thus the delegate year's annual meeti International Monet and World Bank themselves in a ... is much healthier cally than on their a year ago and wit can officials willin more blunt and con negotiation than t in 1974.

But for all that also be well aware recovery could slowed and endan over-reaction by the difficulties in fina vast budget deficit the mounting pres stimulate the econ fast that will ... President who ... wants to win the ... tion.

The author is ... mics Correspond ... Times.

Complexities of planning ahead

by Edmund Stevens

Soviet Union

The sense of security and ordered purpose in Soviet society contrasts more starkly than ever with the constant political and economic drift from crisis to crisis in so much of the world. The Soviet Union is still almost unaffected by increasing violence and crime, unemployment, inflation, poverty and hunger. Instead there is constant, if sometimes imbalanced, progress in almost every sphere, expanding production and a rising living standards.

That does not mean all is smooth sailing. The Soviet Union has its own troubles, derived from the social and economic structure. They are almost entirely difficulties of growth, and they centre round the almost impossible task of drawing up, coordinating and implementing long range economic plans to cover the economy and the population.

To maintain the pace and meet the requirements of technological and industrial progress, the planning must become increasingly complex. The task of meeting the plan becomes more difficult and demanding accordingly, and the impact of any deviation or mistake on the economy heavier.

That has been most notably apparent with the ninth five-year plan, now in its final six months. Most of the production targets, approved in December 1970, because of under-fulfilment, had to be readjusted at the end of each year (which meant cutting the figures back retroactively, down to actual performance). In the process, industrial "group B", consumer goods production, was shorn of the priority initially accorded it.

Expressed in percentage terms, the annual growth rate for group B had, by the first half of 1975, been cut from 9.3 per cent to 6 per cent, and actual fulfilment was only 5 per cent. "Group A", heavy industry, including all kinds of machinery and output of the means of production, made a much better showing.

Production of precision instruments and machines, in which computers were included, led with an 18 per cent increase.

Production of cars, lorries, tractors and farm machinery was up by 10 per cent. Because of the group A score, industry as a whole could announce a 7.7 per cent production increase for the six-month period, compared to the revised plan figure of 6.7 per cent. But given the previous mid-plan cutbacks, it all added up to an industrial output growth of less than 30 per cent, compared to the 40 per cent expected in 1970 for 1975.

Though disappointing to the Soviet consumer, who had been led to expect greater things, it was still substantial progress. Total retail trade turnover for the half year was up by 7.3 per cent. The average monthly income rose 3.7 per cent, to 144.5 roubles. Savings deposits increased by 5,600m roubles, bringing total savings to almost 80,000m roubles. There are about 93 million depositors, or approximately one savings account for every 2.6 members of the population of 254,300,000.

The lag in consumer goods growth has undoubtedly stimulated the growth of savings. The Soviet buyer has become more discerning, and shies away from shoddy items. The need to mop up some of the cash held or deposited in savings accounts was mainly what prompted Soviet planners to promote colour television and mass production of the Fiat-type Zhiguli passenger car. New sets were sold on the instalment plan and distributors were ordered to accept old sets as the initial down payment. Some 2,000m roubles of instalment buying credit has been extended, mostly for television sets.

The demand for private cars runs well ahead of output, even though the prices equal several years of average salary. The aspiring purchaser uses not only his own resources, but draws on the savings of parents, grandparents and in-laws, and that has proved the most effective way of reducing the amount of extra money in the hands of private citizens, which even in a controlled economy can foster inflation as it encourages speculation on the black market, as well as higher prices in the open market for foodstuffs.

The lack lustre results are due in part to poor management. The promotion system based on seniority favours those wedded to outmoded concepts, while younger, more competent men are held back in subordinate positions.

But the main fault goes deeper, to the very foundation of the economic pyramid: capital investment. For years the ministries responsible for industrial construction projects have habitually

continued on facing page

Rewards of a switch in policy

by John Greenwood

...apan

...e past year has seen an ...tremely important change ... the objectives of Japanese ...onomic policy. The change ... objectives has been ...ralleled by an equally ...amatic set of accomplish...ents in the economy itself.

The policy change consists ...imarily of the abandon...ent of the attempt to ...lance the country's inter...tional payments accounts ... some particular exchange ...te, and the adoption of ...ice stabilization as the ...ajor objective of domestic ...onomic policy. Since 1949, ...en Japan set its exchange ...te at 360 yen per $US1.00, ...til about the middle of ...74, the first concern of ...e authorities was always ...th the external payments ...sition.

This was so despite the ...periments with a partially ...ating exchange rate after ...gust 1971. Thus external ...yments remained a central ...oblem of policy during the ...rly months of the oil crisis ... late 1973. Consequently ...e regulation of the domes... business cycle always to ... large extent had been ...ependent on the balance of ...ayments situation. The ...nergence of payments ...eficits usually *led to* a ...ghtening of credit by the ...thorities, while surpluses ...couraged them to ease ...omestic credit.

Since July 31, 1974, and ...en more important since ...ebruary 28 this year, that ...licy has been abandoned. ...ast July the Bank of Japan ...rst announced its objective ... stabilizing domestic prices ...rough regulating the ...owth of the money supply, ...eeping it at a 10 per cent ... 13 per cent annual rate ... the final quarter of 1974. ... February they announced ...eir target of a 15 per cent ...oney supply (M2) target ...r the fiscal year ending ...arch 1976.

On the evidence so far, ...ot only *have the criteria* ...r selecting these particular ...rowth rates proved remark...bly successful, but the ...apanese authorities have ...hown an enviable degree of ...uccess in achieving their ...onetary and price targets. ...ntil very recently, the ...*eason for the new policy* ...ad not been spelled out ...ublicly, for unlike the ...ederal Open Market Com...ittee (FOMC) in the United ...tates, but like the Bank of ...ngland, the Bank of Japan does not publish any regular record of its policy proceedings for public scrutiny. However, on July 30, the Bank of Japan published a research paper explaining the underlying *statistical* relationships between money, gross national expenditures and prices.

In the Japanese context, this paper is probably equal in importance to the first directive of the FOMC to the New York Federal Reserve in *January, 1970*, to pursue quantitative targets for specific monetary aggregates, or to House Congressional Resolution 133 of 1975 requiring the Federal Reserve to restrict monetary growth to rates "commensurate with the *economy's long-run potential* to increase production".

There can be no doubt that in the history of the development of Japanese monetary policy since the foundation of the Bank of Japan in 1882, this change in the objective of policy is a *momentous one. But equally*, the ability of the Japanese authorities to hit their targets and the predictability of the effect on prices has been remarkable. This re*sults primarily* from the particular structure of Japan's banking system which enables the authorities accurately to control monetary growth by placing ceilings on the loans of the city banks, long-term credit banks, and —until recently—local banks. It also reflects Japanese companies' high degree of dependence on bank credit as well as the outstanding *quality of Japanese economic* statistics.

Turning to the consequences of the deliberate and steady growth of money, the changes in almost every area of the economy over the past year both internally and externally have been no less remarkable. In the first instance the effects were on the domestic money and credit markets. A year ago market interest rates were *high in the yield on five-*year top-grade bonds at 14 per cent. Other institutionally-pegged rates, such as the interbank call rate and the bills discount rate, were at 13¼ per cent. With the decline in demand which the monetary slowdown induced, *five-year bond yields have* declined to 9 per cent, and the call rate, bills discount and deposit rates are set to decline whenever the official discount rate is lowered again.

The effect on industrial production was to depress output at an accelerating pace, ultimately by 20.6 per cent compared with its peak in November, 1973. But with *the reduction in inflation* towards the end of 1974, real purchasing power has been rising and with the demand for industrial manufactures, durables and houses picking up, industrial production in Japan has been rising every month, except one, since its trough *in February*, far ahead of the United States.

For individual companies the effects have been as important as the financial crisis of 1965. On the negative side unit *costs* rose steeply as capacity utilization rates fell, interest costs for heavily leveraged companies soared, and the rate of bankruptcies trebled to more than 1,000 companies a month. Sales growth for 518 listed companies slowed to 0.4 per cent in the six months to March, and among these 127 showed losses while 255 were compelled *to reduce or pass their* dividends. Among smaller companies, which tend to have lower reserves set aside and less support from the banks to fall back on, the results were even more disastrous.

However, in Japan the life-time employment system and the dedicated sense of corporate responsibility for employees effectively prevented unemployment from rising any higher than 2 per cent (990,000 out of a labour force of 52,500,000), but temporary layoffs, forced holidays and sharp cutbacks in overtime and bonus payments were the rule. Some companies resorted to early retirements, postponed hiring, or, in extreme cases, "requested" their employees to assist the company's cash flow position by depositing their year-end bonus payments with the company.

Weak demand and excess inventories have naturally produced a sharp fall in prices inside Japan. Compared with its average level of 100 in 1970 the daily Nikkei commodity price index reached a peak at 194.7 in December 1973; by January this year it had declined to only 130 per cent of its 1970 level and has been quite steady ever since. Wholesale prices have come down from an annual rise of 37 per cent in February 1974 to 1.1 per cent in July 1975. Consumer prices from 25.5 per cent in October *1974* to 12 per cent.

On the positive side the *dramatic decline in commodity* and wholesale prices and the recent rise in operating rates has produced a sharp improvement in the margins of retail, construction, housing and manufacturing industries. As yet overall demand is low but as production *levels pick up these industries* will see a big rise in their earnings from falling unit costs. Simultaneously employees' overtime and bonus payments will rise, *in* turn adding to the demand for durable and non-durable consumer goods.

Externally the payments position has changed markedly. With the sharp decline in domestic demand *and the accumulation of in*ventories, imports have declined even more steeply than exports. From monthly trade deficits averaging $616m in January to March 1974, Japan has run trade surpluses averaging more than $320m in 1975. At the same time payments on the capital accounts and the transactions of Japanese banks have been significantly altered by large *net purchases of Japanese* stocks and bonds by foreigners since late 1974, and by a steady decline in the net indebtedness of *Japanese banks in the Euro*dollar market.

In the past year Japan has come through its deepest recession since the immediate postwar period. Many companies have disappeared or have been severely damaged financially, but the financial *system as a whole has* remained intact. For the future, while the outlook in some industries is depressing in the short term, for the long term the combination of a sound financial system, appropriate monetary objectives, and a successful method of achieving them enormously enhances the ability of Japan to generate and maintain a sustained period of economic recovery and steady, non-*inflationary* growth over the years ahead. Both for Japan and for its trading partners the longer-term picture has seldom looked more encouraging.

Chance for Britain to share oil spoils

by Rodney Wilson

Middle East

For the Middle East oil states the past year has been a period of consolidation. The euphoria which greeted the vast increase in oil revenue after the price rises of January, 1974, has passed. Once *the full magnitude of* the oil prosperity was realized, the larger Middle East producers busily readjusted their development plans, drawing up new grandiose schemes for industrialization and agricultural improvement. Many of these projects are already being carried out and planners in the Middle East are at present faced with more mundane aspects of using the oil money.

Such minutiae of economic planning are of little interest to political observers, concerned with sudden or dramatic events like *those which* followed each successive Arab-Israel conflict. For the businessman, however, the details of present projects *are of greater interest*, as it is through the provision of the nuts and bolts essential for their successful fulfilment that he earns his living.

The Middle East offers western business enormous opportunities, and it is especially important that Britain should get a large share of this market, the only notable area of the world where export prospects have improved significantly during the past year.

Iran's development plan is the largest and most ambitious in the Middle East, as it aims at raising *the living standards* of the country's 33 million people to a level comparable to that of Western Europe by the 1980s. This objective is to be achieved by diversifying the economy, with the emphasis on the promotion of manufacturing activity.

Iran already has a substantial industrial sector, including a steel mill at Aryamamehr which is the largest in the Middle East. *Some of the steel is used for* car body assembly under an agreement with Chrysler United Kingdom.

Tabriz, the main centre *for Persian carpets*, is becoming famous as the largest centre in the *Middle East* for the production of capital goods. A giant machine tool plant there is to quadruple its output under the present five-year plan.

Despite the size of Iran's population, the main constraint on development is *shortage of* labour, especially of skilled labour. It is hoped to ease this shortage by redeploying workers from agriculture through the amalgamation of small plots into large farming units which will facilitate mechanization.

To improve the supply of skilled manpower expenditure on education under the present plan has been in*creased to more than* £3,300m; this will mean education for all urban children and four fifths of rural children. If universal literacy is attained in the Shah's lifetime, it will probably be reckoned his greatest achievement.

Saudi Arabia *receives* more oil revenue than any other state in the Middle East, a situation which is likely to continue as its oil *reserves account for almost* half the area's total. An ambitious new £60,000m development plan aims at bringing the desert kingdom *into the twentieth century*. Industries planned will largely be related to petroleum, including seven ethylene and three fertilizer plants.

Establishments of this type are capital intensive and have low manpower requirements. Hence they are *suitable in a country with a* population estimated at only four million to seven million where many members of the workforce are expatriates.

The oil revenue boom has benefited not only rich oil producers, such as Iran and Saudi Arabia but also poorer Middle East states with teeming populations but few mineral resources, such as Egypt. During the past year *Egypt has received almost* £30m for the modernization and expansion of its railway system from the Saudi Development Fund and a similar sum to finance a new urban highway linking the Cairo suburb of Heliopolis with the steel town of Helwan.

Such aid yields political rather than economic divi*dends for the Saudis, espe*cially as Egypt has always been at the centre of pan-Arab politics and is the country most critically involved in the dispute with Israel.

To encourage Arab oil revenue into investments in Egypt President *Sadat last* year introduced a new open-door policy. This provides for five-year tax holidays for all new investment and free remission of profits. It is hoped to channel Arab money into free zones being created in the Suez Canal area where *new industrial complexes are* being planned.

President Sadat's decision to reopen the canal in June was undoubtedly a courageous one, but it should bring considerable economic benefits. Dues from the first year alone are expected to reach about £200m, *while sales of* supplies to ships and expenditure by passengers and crews in the canal towns could amount to more than treble *this amount*.

The reopening of the canal will also benefit the states of East Africa, the Persian Gulf, India and Australasia *by substantially reducing* delivery times for dry cargoes. Giant tankers will continue to use the Cape route, however, until the canal is deepened, which may take five years at least.

Sales of British exports to the Arab countries are now worth £100m a month, double their value a year ago. Until North Sea oil starts flowing in quantity, however, it seems unlikely that Britain's huge trade deficit with the Middle East will be eliminated. In contrast, the United States is in the fortunate position of being able to maintain a trade surplus with the region.

Last year Iran took over from Israel as the main Middle East market for United States goods. Apart *from supplies of industrial* equipment, the principal American export achievements were concerned with defence. More than a third of United States arms exports are now destined for Iran. Important items supplied include Phantom fighter aircraft, Bell helicopters and Tomcat missiles.

Sales of defence equipment to Saudi Arabia have also reached record levels, the country's total defence purchases totalling £800m over the past year.

The United States is supplying Hawk missiles and France is selling French-*German Alpha aircraft valued* at more than £300m. In addition, King Khalid is underwriting a deal between Egypt and France for the purchase of Alpha aircraft, negotiated by President Sadat in Paris.

The Shah has acquired a stake in the European steel *industry for his country. The* purchase of one quarter of the shares of a Krupp subsidiary has meant not only closer technical cooperation with West Germany but has also been financially profitable.

Most of the investment in the West has come from the less populous countries, such as Saudi Arabia and the Gulf states, only a part of whose oil royalties can be absorbed domestically. However, as a consequence of the uncertainties in western stock markets, and the fluctuations in exchange rates resulting from the floating of *currencies*, Arab investors are reluctant to undertake long-term investments in stocks and shares, apart from property *investment, which is felt to* be a better security.

Instead, assets are held in the form of short-term demand deposits with just a few big American and European banks.

The problems facing the Middle East oil producers have been aggravated by last year's worldwide fall in demand for petroleum and related products. This was to a large extent the result of higher oil prices, which induced consumers to buy less, while the consequent world recession lowered petroleum requirements.

Faced with this downward shift in demand the ability of the Organization of Petroleum Exporting Countries (Opec) to maintain high oil prices has increasingly come into question. However, since the *nationalization* of the western companies operating oil concessions the Middle East producers have strengthened their position, as they can now control production levels.

The less populous countries with lower foreign exchange requirements can easily decrease production, and Kuwait exercised this option at the end of last *year*, when *reductions* amounted to 37 per cent, while Libyan production was down by almost half. Recently Shaikh Yamani, the Saudi Arabian Petroleum Minister, pointed out that his country could pay for its import requirements with *less than half its present* level of oil production. By May the kingdom's holdings of gold and foreign exchange were greater than those of the United States.

At the Opec meeting on September 24 in Vienna it seems likely that prices will be raised to offset the increased cost of manufactured imports from the West. Only limited rises are predicted, however—probably *about 10 per cent at the out*side.

Countries such as Algeria will resist greater increases, as these would only damage the economies of its friends in the Third World. Moreover, the Iranians and Saudis will be reluctant to raise prices too far lest they set off a further recession in the industrialized world just when the demand for oil is starting to rise as the economies of the West begin to expand again.

The longer-term aim of the Middle East producers is still to reach an agreement with the chief consuming nations on an index scheme which would link oil prices with import prices, but Dr Kissinger has been reluctant to enter negotiations. In the absence of agreement, the pricing situation will continue to be played out like a game of poker.

The author is a Durham University specialist on the economies of the Middle East.

Complexities of planning ahead

A United States farmer looks at 900,000 bushels of wheat, enough for about 43 million loaves of bread, stacked on the ground because of lack of storage when a boycott of grain bound for the Soviet Union stopped the loading of grain on two ships.

Continued from facing page

...llen behind schedule. The ...aps primarily affect the key ...bs. Thus work at the big ...ama river heavy-duty lorry ...omplex is three years be...ind schedule and the lay...g of the pipeline from the ...yumen oilfield in western ...iberia has been blocked ...ver since plans were ...ropped for Japanese partici...ation in the financing. Both ...rojects had been given top ...riority in the current five-...ear plan.

The highest priority is now ...eing given to Bam, the ...aikal-Amur trunk railway ...ne which, looping north of ...ake Baikal, will be a ...orter and safer link with ...e Pacific than the old ...rans-Siberian, which hugs ...e meandering Chinese ...order. *Programmed to* ...oss 2,000 miles of virgin ...rritory, Bam will open up ...ch, hitherto untapped ...atural resources. It will ...ean more than *six* large ...vers, and most of the road...ed will lie on permafrost ...hich presents special con...truction difficulties.

Young people from all ...ver the Soviet Union are ...eing recruited for the task, ...artly through appeals to ...nthusiasm and romanticism, ...einforced by the incentive ...f higher pay than they ...ould expect on other less ...*rgent projects*.

All this touches on the ...chilles heel of capital in...estment, namely labour pro...uctivity. After juggling ...ith plan cutbacks, official ...ources allege an increase of ...9 per cent in labour pro...uctivity for the first half of ...975, compared with a plan ...arget of 5.7 per cent. But ...he original productivity ...oal for the year was 9 per ...ent. Now almost every ...onstruction project in the ...oviet Union is handicapped ...y having less than three ...uarters of the labour force ...eeded to fulfil its commit...ents. Thus it happens that ...n hotel on the corner of ...wo busy Moscow thorough...ares is still unfinished after ...*a year*.

If that can happen in the ...eart of the capital it is not ...ard to picture industrial ...rojects in the provinces, where expensive equipment from abroad lies rusting in the open. Whenever efforts are concentrated on a top priority job, workers and materials are withdrawn from somewhere else.

The fact is that there is an overall manpower shortage. Because of a short-sighted policy, which discouraged families from producing children, the Soviet Union lacks labour replacements and reserves to cope adequately with its expanding requirements.

One effect of the capital investment lag has been a sharp drop in Soviet purchases of foreign industrial equipment *this* year. Big deals negotiated in the two previous years led to a marked rise in imports from the West in the first half of 1975 as the orders were delivered. Imports from Britain were up almost 100 per cent over the corresponding period last year. But the last big order from Britain was placed in October, 1974, with Simon Engineering, for £25m worth of rubber mixing equipment for the Kama lorry complex. The only large industrial deal so far concluded this year is a 1,000m franc con*tract with a French firm* for the desulphurizing of natural gas.

An additional reason for the sudden cessation of Soviet imports of industrial equipment is the grain harvest shortfall. The plan target for this year had been set at 217 million metric tons. Western experts estimate total Soviet requirements at 210 million tons. Anything less must be made up by importing grain. Thus far the Russians are seeking to purchase 13 million tons from the United States and Canada plus 750,000 tons from Australia at a cost approaching $1,000m, more than they paid in 1972 for a larger amount.

For the second time in the course of the same five-year plan, the Soviet Union has been forced by harvest short*fall to make large unforeseen* grain purchases. This time the trouble is aggravated by the denial of American Eximbank (Export-Import Bank) loan facilities, which means the grain from the United States must be paid for either in cash or with short-term commercial credits.

That may well account for *extensive sales of Soviet gold* through Zurich. Soviet reserves of foreign currency are believed to be smaller than was previously estimated, though the Russians cashed in to some extent on the rise in world oil prices. They miscalculated by charging their hard currency customers the full Opec list price, not realizing that the Opec countries were actually giving discounts.

As a result the Russians soon lost out in West Germany, France and elsewhere. They continued supplying their Comecon partners at the *previously pegged price* for a full year and only as of January 1975 doubled (but not quadrupled) the price.

While this time drought was the main cause of the harvest shortfall, the regime has yet to solve the difficulty of motivation, of how to induce the farmers to exert themselves and overcome their inertia and indifference. Much has been done *towards that end since* Mr Brezhnev took over, but apparently still not enough.

The men who run Gosplan, *the state* planning commission, are aware of their planning troubles. Their present formula is the regrouping of industry into unified organizations, each with its chain of command, and with full control of all the plants, including those *manufacturing* components, regardless of geographical distribution. Management of each plant would draw up its plan based on resources and customer demand, instead of the plan being handed down and imposed from on top.

The local plan would then be fed *into* a computer at the competent ministry. Gosplan's eventual aim through this organization is to establish a standard computer language, with all computers, of whatever origin and vintage, plugged into a nationwide computer grid.

Deepest and longest postwar recession

by Peter Norman

W Germany

The past few months have been disappointing and frustrating for the West German Government and the Bundesbank. By late summer it had become clear that Germany was experiencing the deepest and longest recession since its recovery after the last war.

Although Bonn scheduled a new economic recovery programme for September—primarily to aid the construction industry—neither politicians nor economists could offer a national solution to return the country to the economic growth pattern of the *Wirtschaftswunder* years.

Hence the West German Chancellor, Herr Helmut Schmidt, urged some form of concerted action among the West's major economic powers to help each other out of recession. Only a few months before, after the announcement of a reflationary package of government measures in December, 1974, some commentators had cast West Germany in the role of an economic locomotive which would help pull the western economy back on to a growth track.

Army of people on short time

But by summer it had become apparent that domestic demand had not revived as strongly as had been hoped and there was considerable slack in the economy.

Unemployment at the end of June, for example, was still above the million mark while the army of people on short-time working was 800,000 in the first six months of 1975. Gross national product declined in real terms by 4.5 per cent compared with the previous half year.

Industrial production continued to move downwards and in May and June was 10.5 per cent below the corresponding period of 1974. West German industry's capacity utilization averaged 75 per cent and in certain key sectors, such as the building industry, had fallen to between 50 and 55 per cent.

Although West Germany has been notably successful in combating inflation—consumer prices are expected to rise by only 6 per cent this year—the developments forecast for other sectors of the economy are less encouraging. The Organization for Economic Cooperation and Development (OECD) in Paris has predicted that the recovery expected in the second half of this year will be insufficient to offset the first half fall in gnp.

It is forecasting that gnp will fall by 2 per cent this year whereas the original Bonn target was a 2 per cent rise over 1975. Even a forecast of a nil growth computed by the Economics Ministry in May is too optimistic in the eyes of the OECD.

Unemployment is expected to average 1,100,000 or just under 5 per cent of the labour force, and could reach a peak of 1,500,000 this winter.

Next spring is also unlikely to bring much cheer as the OECD expects unemployment will average more than 900,000 in the first months of the new year.

Herr Schmidt, who as late as April was promising that the improvement in the economy was just around the corner, has found applying the accelerator to an economy as large and varied as West Germany's is no easy task. Since last autumn the Bundesbank has been pursuing an expansionary monetary policy, gradually bringing down the German bank rate to be the lowest in Europe, while holding to a target 8 per cent growth in Central Bank money stock for 1975.

The Federal Government, which announced investment programmes for depressed areas totalling DM 1,850m, approximately £350m, in February and September last year followed up in December 1974, with a more comprehensive reflationary package comprising a DM 1,730m support programme and a 7.5 per cent investment bonus.

Completing the reflationary proposals was a reform of the income tax and family allowance system. According to official estimates the reforms would add about 2 per cent to personal disposable income in 1975 in the form of a DM 4,000m reduction in taxes and a DM 10,000m increase in family allowances. Budgetary policy was also adapted to head off the recession.

The public sector was originally scheduled to borrow DM 55,000m this year to offset the deficit spending in the budget. However, because of the economic regression, tax income has been much lower than expected and the figure should be exceeded by a wide margin by the end of the year.

In fact, West Germany moved over to an expansionary economic policy earlier than most other industrialized states. That the policy has so far failed to have much impact derives largely from a sudden and unexpected fall in exports and a very high savings rate among the country's consumers.

West Germany's forecasters began the year expecting that world trade would expand by 4 per cent in 1975. By May, however, it had become all too apparent that it would at best stagnate. By this time Germany's exporters had already been brought face to face with a steep fall in new export orders and a drop in actual deliveries abroad.

In May, for example, new foreign orders for German goods were no less than 25 per cent below those of May last year. Over the first half of this year exports declined by 13 per cent compared with the last six months of 1974.

Exports made up about 25 per cent of total demand in West Germany last year and sustained industrial production in the Federal Republic for most of 1974. Now their sudden fall has pushed down industrial production to around the level of five years ago.

More serious are the implications of pulling out of the recession. In the previous "mini recession" of 1966-67 it was export demand that recovered fastest and set off a chain of investment and consumption. This time the pattern is having to be reversed with the main stimuli expected to come from government spending and private consumer demand.

Savings at a record level

But these are very uncertain factors. Unlike the United States, West Germany has never experienced a consumer-inspired boom. Judging from the behaviour of Germany's consumers so far this year, the chances of such a development are slim. Personal savings are at a record level of 17 per cent of disposable income—well above the 13 to 14 per cent rate of recent years. As long as unemployment remains high this money is unlikely to be converted into new homes, furniture or clothing.

The effects of the export slump and consumer reserve on industrial production have hardly encouraged investment. With capacity utilization running at only 75 per cent, German business proved reluctant to take advantage of the 7.5 per cent investment bonus. New domestic orders for West German industry proved disappointingly low until June when ahead of the expiry of the scheme on June 30 there was a predictable jump of no less than 34 per cent compared with May.

Whether the June upsurge in new orders heralds a sustained improvement remains to be seen. What is certain is that the recession has exposed areas of weakness in the German economy which will need more than a reflationary programme to cure.

The motor industry and the building industry are just two examples of former growth sectors that are having to adjust to stagnating and declining demand. More serious has been the decline in industrial investment as a whole. Industry's fixed investment, after stagnating in 1972 and 1973, dropped by nearly 8 per cent last year and continued to fall in the first half of 1975. Over the whole of this year it is expected to show a decline of nearly 5 per cent.

The sluggishness of new investment holds out little hope of the economy returning to a strong growth pattern in the coming years. Unfashionable though it may sound, a solid revival of the economy must depend on a recovery in corporate profits that will encourage businessmen to invest.

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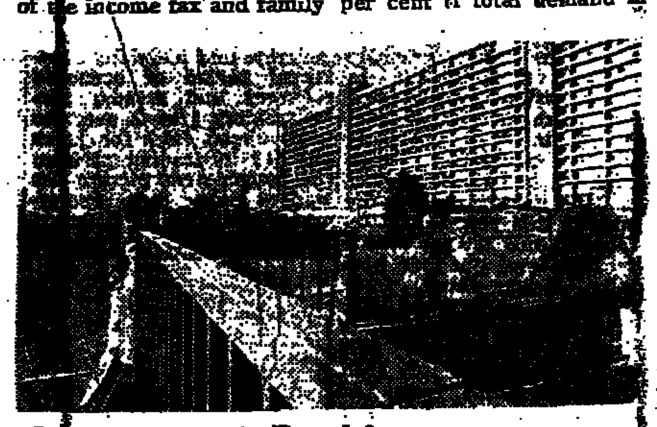

The Bundesbank, Frankfurt

Difficulties with overseas sales

by Richard Wigg

France

This week, after showing patience all through August, millions of French men and women eagerly await the contents of a reflation package promised by President Giscard d'Estaing. M Jean-Pierre Fourcade, the Finance and Economics Minister, will be flying back from Washington for Thursday's Cabinet meeting, called to settle the final points after the meeting of the International Monetary Fund.

International consultation is of the greatest importance to the French Government as it tackles, in the next few months, a tricky economic situation involving jobs, investments, foreign trade and the franc itself. It is particularly important since France rejoined the European currency "snake" on July 10, thus giving priority to monetary discipline without waiting to see the effects of this autumn's domestic measures.

That important financial option of the year was undoubtedly President Giscard d'Estaing's, although it tied in with the previous year's economic programme pursued by M Fourcade, who succeeded him at the rue de Rivoli.

Because of the political difficulties in pursuing an austere programme against inflation, M Fourcade has not been able to state with sufficient clarity his determination to stick to the priorities spelled out in his June, 1974 "cooling off" programme.

That consisted of a severe credit squeeze coupled with higher company and personal taxes and targets aimed to bring the inflation rate down to 6 per cent a year by July, 1975 and re-establish France's foreign trade balance by the end of 1976.

Despite a series of limited measures designed to accord financial relief or incentives to specific industries from December, M Fourcade has stuck to his priorities. At a crucial moment in March when experts of the Organization for Economic Cooperation and Development were revising downwards domestic growth for France this year to 2 per cent and warning of a strong recessionary movement developing because of poor external demand, M Fourcade held to his anti-inflationary stance, answering his critics on unemployment by saying that the level of activity must be "the least bad possible in the circumstances".

But in April the French President had already decided on a 15,500m franc programme designed to develop productive investments and check unemployment. In July the President, admitting that France's economic activity had been "markedly below what had been anticipated" announced a "vigorous programme" to support the sagging economy.

What had happened to the original Fourcade programme was clear. There had been an "institutional lag" preventing the minor stimulatory measures from bringing a response. Industrialists, in their gloom, had not taken sufficient advantage of the measures open to them.

Instead, according to official figures, industrial production declined 13 per cent on average in nine months, reaching 20 per cent in the key chemical and steel sectors.

Unemployment in late July was about 900,000, well over 4 per cent, according to the President.

The crucial warning was given by M Jacques Ferry, president of the Steel Manufacturers' Association and a vice-president of the Patronat, the French equivalent of the CBI, when he announced that labour "shedding", avoided until now, would come in the autumn unless there was action by the Government.

By next month leaders of industry will have established what the Government's measures to encourage investment in the public sector will mean to them and will have put back some cash into the empty tills of private industry, particularly in building and domestic appliances. They will know also the size of their order books.

Latterly M Fourcade has been fighting a rearguard action, but July produced two favourable figures — a rise of 0.7 per cent in the June official cost of living index and a foreign trade surplus for the first six months of the year of 5,400m francs, compared to a 10,000m francs deficit for the first half of 1974.

Expanding France's exports was the corollary to M Fourcade's anti-inflationary measures at home. But exports, despite all the efforts over the past 12 months, have suffered a reduction in volume and levelled off in value despite inflation.

The July-August review of the Patronat was quite blunt on all this. "Many firms are encountering more and more difficulties in developing their sales abroad", it said, reporting the cancellation of orders, payment delays, and competition "tougher every day" from the "undervalued" dollar and yen.

"The present parity of the franc is a major handicap for our exports, often an unsurmountable one", the industrialists told the Government.

Last fling before the storm

by John Earle

Italy

Italians flocked to the sea in record numbers this ... mer as if for a last fling ... fore a winter of deepening crisis. Typical of the ... dras in high places ... Signor Ugo La Malfa, Deputy Prime Minister, ... spoke in Parliament ... threat of economic coll...

He was illustrating ... Government's policy ... pumping 3,500,000m ... (about £2,400m) back into ... economy with a package ... reflationary measures ... July 1974 the Government ... the day had announced ... package of deflationary ... sures designed to mop ... similar amount (allowing ... inflation) of 3,000,000m ...

Apart from some of the ... flationary proposals ... having been fulfilled ... probably not all the ... ary package will be ... this. Unemployment ... shows the advantages ... disadvantages of ... tactics which can be ... refined in concept and ... in effect.

During 1974 the authorities ... applied a variety of measures ... Besides tax increases ... included a car levy, a ... tional credit squeeze ... interest rates were ... bank lending was ... tively restricted, and ... vestment for six months ... 50 per cent deposit on ... range of imports. These ... were soon rewarded ... apparent slackening ... on and a rapid improvement ... the balance of payments ... winter the ... already been ...

Jubilant ... reinforced

By spring the ... eemed over. The ... jubilation was ... United States ... were quoted in the ... the view that the ... accomplishing a second ... nomic miracle. Italian ... worthiness on international ... markets recovered ... Government leaders ... made much of the ... as important regional ... tions were to be held ... 15.

Soon afterwards the ... ness of the policy ... apparent. The May ... industrial production ... a drop of 18.4 per cent ... May 1974, while the ... increase in the cost ... was still running at ... per cent. Much of the ... of payments ... was seen to be the ... a sharp fall in ... imports, both for ... and for consumption ... tion was no worse ... because trade ... thought first of ... existing job levels ... second, of agitating ... rises. People, as ... critical moments in ... history, were prepared ... tighten the belt.

Having applied the ... the authorities decided ...

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tra budget seeks to rk by moderation

by Richard Mackie

more sustained increase in business investment in Canada in recent years, an expansion which has been encouraged by government manufacturing incentives.

A rapid growth in employment, an increasing number of families with two or more earning members, the indexing of personal income taxes and the increase and indexing of social security benefits: all have contributed to the expansion of income and expenditures by Canadian consumers.

Big expenditures for government unemployment insurance and other features of the Canadian taxation and welfare system cushioned the economy in a period of declining income. These factors helped to maintain spending, employment and confidence in Canada at higher levels than in the United States.

But that confidence is beginning to ebb. The world recession has had a dampening effect on economic activity in Canada. It has restricted the growth of exports. That is the main reason why the real output after reaching a peak in the first quarter of 1974, was unchanged in the second and third quarters and has declined since. At the same time the volume of imports has grown rapidly because of continued expansion of domestic demand in Canada.

The gap fell 1.45 per cent in the first quarter of 1975 to complete a four quarter cycle of declining productivity for the first time since the depression of the 1930s. Retail sales declined for a second month during April while the increase in wholesale sales was too small to outpace the inflation rate.

While the prices of exports continued to increase in the first half of 1974 more rapidly than the price of imports, more recently the terms of trade have moved against the country. As a result, the current account deficit exceeded $6,000m at annual rates in the first quarter of 1975.

Car sales have held up well in Canada, but the contraction of demand for Northern American cars in the United States led to a big reduction in Canadian production for sales there.

The sharp decline in United States residential construction, which provides the most important market for Canadian lumber, has sharply curtailed demand for exports of wood products. That was compounded by the drop in Canadian house construction. Exports of a number of other primary commodities have also been cut because of declining foreign demand.

But large wheat sales to Russia heartened the western farmers this summer. The prices remain high for wheat.

Residential construction has dropped. Record levels of activity were reached in 1974 but the decline in 1975 was sharper than the government economists expected. That in turn led to a decline in demand for a wide variety of household furnishings and appliances.

Business capital investment has continued to expand as work proceeds on projects that have been already started. But the Government has said that the economic slowdown, sharply rising costs and falling profits seriously jeopardizes the continuing strong growth of new productive capacity.

The slow down started to have an impact on the creation of jobs at the turn of the year, but employment has been well maintained. (In May, the last month for which figures are available the unemployment rate was 7.1 per cent.

Up to this year Canada's price performance compared reasonably favourably with that of other industrial countries, except Germany. The annual rate of change for consumer prices for the three months ended in May was 7.1 per cent compared with nearly 15 per cent in the three months ended in December. But there are underlying developments that threaten a worse round of inflation.

Wholesale prices are increasing more rapidly again. There has been a serious cost increase built into the economy which threatens to erode the competitive position of industry.

The major cause of the increase in costs has been the accelerating rise of wages and salaries, accounting for about 70 per cent of the national income according to Mr Turner.

But to combat those pressures in the economy the Finance Minister did not grasp the nettle and impose mandatory wage and price controls. He opted for "moderation and restraint" with some increased taxation and said the Federal Government would cut $1,000m from its proposed spending.

Some economists in Canada say the recession and inflation will continue. Others say that the recession, after six months, is over and recovery is under way.

Mr Turner had trouble preparing his June budget. He had to cope with three separate difficulties: inflation, slow growth or recession, and an energy shortage. There was no way that one consistent policy could deal equally effectively with all three.

Success of belated price freeze

by David Cross

Belgium

With the aid of a price freeze, the Belgian Government is at last beginning to master the country's main economic problem. For the first time since the recession began it has succeeded in bringing the inflation rate below the 10 per cent level.

In the first three months of the freeze, consumer prices rose by just over 2 per cent compared with a 3 per cent increase during the preceding three months. This brought the annual rate down to about 9.5 per cent in mid-year against a rate of nearly 13 per cent a year earlier.

The belated introduction of the freeze in May by a coalition government which has shown remarkable reticence in tackling the country's pressing economic problems, evoked protests from certain sectors of the population. The most vocal have been the self-employed, particularly those running small businesses, who have found it more and more difficult to compete with the growing ranks of supermarkets and chain stores.

Concessions after strike threats

A one-day strike with threats of more to come wrung significant concessions from the Government. The current second phase of the freeze is less constricting than its predecessor and, contrary to the original wishes of the Government, prices will no longer be pegged after the beginning of October.

Ironically, the freeze has also been instrumental in upsetting one large section of the community it was originally designed to help—the trade unions. When a new potato shortage forced up prices to unusually high levels in July the Government stepped in to hold the consumer price index at an artificially low level. This move deprived most of the working population of a wage increase they would normally have been paid under one of the most advanced wage index systems operating in Europe.

But in spite of these drawbacks, the freeze should make an important contribution towards bringing Belgian inflation closer to the level of its main European competitors. In their latest economic reports, the Belgian Economics Ministry and the Banque Bruxelles Lambert both forecast a rate of between 11 and 12.5 per cent over the present calendar year.

As Mr Leo Tindemans, the Prime Minister, explained when he introduced the freeze at the beginning of May: "The terrifying problem facing us is how to make our prices competitive again. Economic experts have established that in comparable sectors of industry even the United States is now producing more cheaply than Belgium."

The figures speak for themselves. Two years ago Belgian inflation at an annual rate of some 7.5 per cent was running at approximately the same level as in its two main export markets, West Germany and The Netherlands. In 1973 prices rose by 7.4 and 7.9 per cent in these two countries respectively. But within a year this enviable state of affairs had deteriorated to such an extent that Belgian inflation was 50 per cent higher than in The Netherlands, and 250 per cent greater than in West Germany last year.

For a country which is the world's eighth biggest exporter and which relies for more than 50 per cent of its gross national product on its overseas trade the message was clear. Unless the inflation rate was trimmed considerably Belgian goods would price themselves completely out of overseas markets.

One of the main motors of the present high inflation trend has been the tight link between prices and wages. The employers' organization, the Fédération des Entreprises, has calculated that indexation alone has been responsible for two thirds of the latest rise in hourly wage costs.

In fact, in 1973 and 1974, wage costs in Belgian industry rose by some 18.9 per cent, compared with comparable increases of 40.1 per cent in West Germany and 34.1 per cent in France. To its credit, the Government is seeking to change the situation by severing the index link, with the support of a parliament which has already voted in favour of modifying the present system.

How far-reaching this review will be remains to be seen. Not surprisingly, the trade unions are opposed to any drastic changes which will work to the disadvantage of their members.

Nearly 100,000 on short time

To the concern of the Government, the high rate of inflation has been accompanied by a rapid increase in unemployment. There are now more than 160,000 fully unemployed, representing 6.2 per cent of the total working population, compared with about 90,000 a year ago. In addition, the number of short-time workers has risen to nearly 100,000, compared with a mere 37,000 in 1974.

Under pressure from the trade unions, there have been some half-hearted attempts by the Government to alleviate the unemployment problem. Earlier in the year it agreed to step up its public works programme to provide an extra 20,000 jobs for the unemployed, and social security contributions have been cut to encourage large business concerns to take on more workers.

But clearly further reflationary measures will be required if any large inroads are to be made into the present jobless total. This will doubtless be one of the priorities facing government ministers when they return to Brussels from their various holiday retreats.

Although the present situation is far from ideal the signs are that the recent downturn in the economy is beginning to level off. As the Banque Bruxelles Lambert reported in a recent analysis: "Against this bleak background there have lately been some positive signs which hold out the hope that the trough of the present recession is near at hand."

These include the stabilization of the average length of order books in manufacturing industries, an increase in confidence among businessmen about future economic activity and a still enviable balance of payments situation. Last year, in spite of the fourfold increase in oil prices, the structural surplus on current account totalled some 25,000m Belgian francs (about £300m) and the balance of trade returns for the first quarter this year showed a surplus of 8,200m francs (about £100m).

In addition, the Belgian franc is still one of the strongest currencies in the world, having appreciated against the dollar by some 17 per cent over the past year or so. Since December 1971, when the Smithsonian agreement was concluded, it has increased in value by some 7 per cent on a trade-weighted basis against the world's major currencies.

As one of the six European Community countries operating the so-called snake system of jointly floating currencies, Belgium is expected to join France, West Germany and its Benelux partners in some modest reflationary action in the autumn. Nevertheless most commentators agree that the expected recovery will be a long, gradual process. Inflation and recession hit Belgium later than most other industrialized countries and a similar lag can be expected in any new recovery.

Last fling before storm

continued from facing page

ing spring and summer to gently press the accelerator again aware that the outlook for the autumn would be bleak. Unemployment was estimated in the summer to have reached between 1,200,000 and 1,500,000 while another 800,000 workers relied on the Government's *Cassa integrazione* fund for temporary redundancies and short-time working.

The Government's reflationary policies are admitted to be only a palliative which cannot overcome the economy's structural weaknesses, such as low productivity and high labour costs.

The ingredients have been forming for another "hot autumn" of labour troubles, as in 1969. As then, labour contracts are up for renegotiation for more than four million workers, including those in metalworking, chemicals, building and textiles. Some foreign companies tried to batten down before the storm—Citroën decided to get rid of Maserati, while British Leyland pressed for drastic cuts in the Innocenti workforce. But scarcely an industrial company remained unaffected. The only consolation was that all concerned, management, unions and Government, were aware of the dangers on the horizon.

Weaknesses came to the fore

All the weaknesses came to the fore in the way the Government parties have been running the system of state-owned industry. Once hailed—and admired abroad by British Labour Party ideologists amongst others—as an ideal formula for public-private sector collaboration, the system has in recent months degenerated into a source of endless polemics over alleged corruption, managerial inefficiency, political patronage and doubtful financial practices.

Not only have a number of public companies been accumulating heavy losses, but the Government, under pressure of public opinion, has replaced Signor Raffaele Girotti and Signor Mario Einaudi as the heads respectively of ENI and EGAM.

Signor Guido Carli is no longer there to guide the lira through troubled times for, after 15 years as Governor of the Bank of Italy, he resigned in August to make way for Signor Paolo Baffi, the Director General. While Signor Carli's international reputation will be missed, the changeover occurred under the best expected circumstances, as the new team is drawn as before from the bank's executives, and attempts by the Christian Democrats to gain a political foothold have been frustrated.

Public spending near limit

A watch will have to be kept on public spending which is already near the permissible limit. The Government budget forecasts for 1976 show an unprecedented deficit of 12,515,600m lire (about £8,809m), leaving 31 per cent of total expenditure of 36,874,200m lire (about £25,967) uncovered by revenue. Little margin remains for manoeuvring.

Presumably the long awaited upward movement will follow that of other western economies some time next year. In its budget estimates the Government is reckoning on a 3 per cent growth in national income in real terms in 1976, accompanied by a 12.5 per cent cost of living rise and a balance of payments deficit of about 1,000m lire.

Paradoxically, however, the low credibility which public opinion accords to governments can be an advantage in times of crisis. Since few believe that official promises will deliver the goods, operators are accustomed to rely on their own initiative. The economy has always been resilient, and the present mood of pessimism may have been overdone.

But the danger is that if the downward slide has still far to go, it may bring intolerable political tensions and, economically, leave Italy no longer among the world's leading industrialized nations.

Italians who filled resorts like this one near Sorrento face a gloomy winter.

Insulation from European woes is wearing thin

by Geoffrey Smith

Scandinavia and Finland

A year ago it seemed that one more Scandinavian economic miracle might be in the making. While the rest of Europe, especially Britain, was wrestling with inflation and becoming ever more gloomy about the economic prospect in general, both Norway and Sweden were enjoying boom conditions with stable prices by international standards.

Instead of suffering from their exclusion from the EEC they appeared as if insulated from Europe's economic woes. Now the position is rather different. In neither of these countries are there distress signals in sight but the European recession is beginning to be felt.

This has been more noticeable in Norway, where there has been that combination of factors so familiar to a British eye: falling exports, higher unemployment and rising prices. Because of the rise in prices the value of Norwegian exports for the first half of 1975 was much the same as for the corresponding period of 1974 but the figure conceals a sharp drop in volume.

Excluding North Sea oil, the volume was down 20 per cent. The main losers were some of Norway's traditionally strongest export industries, such as wood processing, ferrous alloys and other metallurgical products.

During the same period, however, the value of imports continued to increase so that the trade deficit was up by more than 20 per cent. An important factor here has been the fall in tanker rates, which has badly affected Norwegian shipping, one of the country's largest earners of foreign currency.

But for Norway at present, with its vast oil resources, a trade gap is the least of its worries. It can expect the oil to be flowing in such quantities sufficiently soon that it can happily borrow abroad in the meantime—especially as the scale of its borrowings is modest compared with its expectations.

It is the other measurements of economic health that concern Norway more. There is a great fear of inflation taking hold as a result of the oil boom. The present rate would be regarded as modest in Britain—the Norwegian price index was a mere 12 per cent higher in mid-1975 than a year before—but it was gathering pace and was already above the Government's chosen rate for the year.

Unemployment, too, while still low by international standards was higher in June this year than in any other June since the war.

The international recession has taken longer to have its effect on Sweden. Economic activity and employment have continued at a high level. Indeed, unemployment in March was at its lowest level for five years, and private consumption rose in the first quarter of the year by 5 per cent. But such figures tell only part of the story.

Activity remained high in Sweden because domestic demand was buoyant at a time when exports were beginning to flag. Order books have become slimmer for the export industries, especially for machinery, and while the value of exports was [illegible] per cent higher in the first quarter of this year than for the same period in 1974 they were running at a lower rate than in the last [illegible] months of 1974. All the signs are that this state of affairs will continue.

Industrial production has begun to fall, unemployment is rising—though it is still low by international standards—and forecasts for the growth of gross domestic product this year are being scaled down. The rate of inflation is also low by international standards and has in fact been lower this year than last, though it is still somewhat above the figure set by the Government.

In Denmark, too, the level of activity has been falling. Private consumption has dropped and housebuilding, which is often referred to as the governor of the Danish economy, has declined sharply. This has had its effect on unemployment, which is now approximately 5 per cent of the total work-force and is expected to rise rapidly during the coming winter.

There is the natural fear on social grounds of a high rate of unemployment. That is why the Government has now produced a programme for stimulating activity in both the public and private sectors.

But this lower level of activity has a bright side. To some extent it has been deliberately induced as a means of pulling Denmark out of its vicious circle of mounting inflation and balance of payments deficits. In that respect it has been successful.

Imports fell by 11 per cent in the first half of this year compared with the same period of 1974, and exports were up by 6 per cent. Inflation has fallen dramatically, so that it is now running at the enviable rate of about 5 per cent.

Not so in Finland. A rate of inflation of 16 per cent is forecast there for this year, and rising prices have been accompanied by stagnant exports and a higher current account deficit. The main trouble for exports has been the fall in demand for forest products, after a boom year in 1974.

The drain on Finnish currency reserves became so serious in the early months of this year that the Government imposed a price freeze and introduced a temporary system of import deposits. But the Government agreed to phase this out by next April in return for special drawing rights from the International Monetary Fund.

The policy of restraining internal demand is, however, being continued, with particular emphasis on public expenditure. [illegible] ture of the Finnish [illegible] is that, while expe[illegible] the effects of the [illegible] national recession [illegible] other Nordic coun[tries] still has a shor[tage of] labour.

But of all the me[mbers of] the Nordic Council [illegible] experiencing the m[ost extra]ordinary economic c[illegible] is Iceland. Last [year the] rate of inflation w[as illegible] cent and the Gov[ernment] which took office i[n] 1974, has been [illegible] grapple with this.

There have b[een] devaluations in the [illegible] the automatic linki[ng of wages] to prices has been [illegible] real earnings ha[ve illegible] and there are fears [of] unemployment.

Although there [illegible] alarming deficit [on the] balance of paym[ents last] year, the Icelandi[c illegible] has continued [illegible] remarkably in rec[illegible]. But further growt[h illegible] hampered by the [illegible] get German appro[illegible] landing of Iceland[ic illegible] the EEC, which h[illegible] fears of a new cod [illegible]

Watch makers losing time

by Alan McGregor

Switzerland

If in Switzerland things are not what they were, they still compare well with situations elsewhere. But after 20 years and more of steady growth and shortages of labour, even a mere 7,000 or so unemployed—in a working population of more than three million—suffices to arouse some apprehensions, particularly as many people have no unemployment insurance.

By itself that figure is in fact misleading, the actual shrinkage in the number of jobs being substantially larger. In construction, for instance, which is hardest hit by recession, 45 per cent of total jobs for temporary foreign workers have been eliminated in two years, meaning that at least 60,000 men have had to look for work in their own or other countries.

Further dismissals are expected, affecting Swiss as well. The drop last year in the volume of work in hand was about twice the decline in the labour force. Many employers have carried a surplus in the hope of being well placed to exploit any improvement, but it has turned out to be farther away than originally expected.

The Federal Government's proposed unfreezing of 1,100m francs' worth of projects will help, but is judged to be insufficient. With their budgets generally in deficit, neither it nor the cantons are in a position to push ahead with all desired public works. The speculative demand that for so long financed private building is flaccid.

In addition to recession, foreign demand in the watch industry has been hard hit by the Swiss franc's appreciation against all other currencies, in particular the dollar. Manufacturers' fears of what this would do to their competitiveness vis-à-vis the big Japanese and American factories are proving to be justified.

In the first half of this year the industry—its output representing about 40 per cent of world production—saw its exports, including capital equipment, fall by 18 per cent compared with the same period last year.

For watches and watch movements alone the drop was 31.6 per cent, or 1,236.1m francs' worth compared with 1,539.8m. Over 12 months the diminution in exports has been about 20 per cent. The section most affected is reported to be the cheaper Roskopf movement watches, deprived of their competitive advantage by the soaring franc.

Hoping, like the builders, for an improvement, the industry has accumulated stocks and thus held redundancies to a few hundred. For three fifths of the 65,000 factory employees, however, short-time working has become the rule, with the incidental result that absenteeism has fallen from 18 per cent to 1 per cent.

Nowhere more than in the Jura, accordingly, was the July rise in dollar parity greeted with more relief. It brought the American currency back to what the watch companies regard as the minimum of 2.60 francs to the dollar. "Below that", they say, "our products are so dear that advertising is useless."

In New York earlier this year a Japanese watch of comparable quality was anything up to 30 per cent cheaper than the Swiss model. Competition is particularly stiff, too, in electronic watches.

Even with 95 per cent of production sold abroad the watch industry's share of total Swiss exports nowadays is only 10.5 per cent compared with 22.3 per cent for chemicals and pharmaceuticals (90 per cent of output exported). A 12 per cent decline in exports of chemicals—with a 20 per cent production cut—has been offset by the strength of demand for pharmaceuticals (45 per cent of output).

The watch men's complaints about the repercussions of the over-valued franc have been echoed in the textile and clothing industries (8.3 per cent of total exports, output 60 to 95 per cent exported), with much the same pattern of redundancies and short time.

But in the all-important engineering industry (30 per cent of total exports, production 70 per cent exported) the picture is markedly brighter. Foreign demand has held up well and sales in general have risen.

In the retail trade essentials are stable, the decrease being felt in the more expensive durables. Services in general are gradually expanding. Hotels have tried to keep prices at about last year's levels but the tourist industry has suffered from the high franc. The West Germans have proved the most enduring element.

The reverse side of the franc is seen in foreign holidays for the Swiss themselves, who find prices in many other parts of Europe surprisingly reasonable by comparison with what they are accustomed to, particularly in the form of package tours. Agencies in the main Swiss cities report sales up by 5 to 10 per cent.

After some initial vicissitudes as a consequence of floating exchange rates the banks are ploughing on—no word of recession there—and the stock exchange is consolidating its position. Even with lower profits most big Swiss companies are reassuringly solid.

For the country as a whole short-time working—the reduction being 10 to 20 per cent—now affects perhaps [illegible],000 of the labour force and is slowly extending. For the first time for many years temporary unemployment is common among school-leavers. The effects of this situation are mitigated by successful containment of inflation, now at less than 9 per cent compared with last year's 10 per cent. Indexation has largely protected purchasing power.

As for reduction in the number of foreigners, recession is achieving what would otherwise have had to be done by legislation: temporary foreign workers now number 130,000 compared with 190,000 two years ago. At 585,000 the resident foreign population is 5,000 to 8,000 fewer than last year.

The official aim is to stabilize the number of foreigners by 1980, if not before, so that for the population as a whole the number of gainfully employed people will hardly have risen in 1980 from its present 3,050,000.

Economic growth, now minimally declining, will depend, therefore, on improved productivity in the economy as a whole, a process that has already been going on for some time. Because of opposition to "overforeignization" with foreigners Swiss industry has had no alternative to adapting itself to the prospect of a shrinking work force, through concentration on technology and skills.

Significant silence on plans for integration

by Kurt Weisskopf

Europe

...econ countries have ...able to isolate them... ...om the effect of ...recession and infla... ...ir difficulties in the ...years may be dif... ...d less dramatic than ...he West. Neverthe... ...y have stubbornly

...ic growth at rates ...etween 5 and 7 per ...icularly in industry, ...nued but this rate ...maintained at a ...e in terms of efforts ...oned fulfilment of ...ons for more con... ...nds. What is more, ...onomic trends, even ...ort term, are less ...le than the planners ...Comecon countries ...e them to be.

...al economic integra... ...lving as a first step ...nning, has become ...urgent aim of the ...Comecon countries ...perhaps Romania ...ess enthusiastic than ...s) but it is also tant... ...remote. It seems ...Comecon premiers ...f planners who met ...June 24 and 26 in ...for their joint ...ession have resigned ...es to this.

...commended to their ...countries a joint ...olicy and approved ...intly financed pro... ...cellulose, asbestos, ...pelletization and ...restments in the ...ckel industry. More ...t than the approval ...rojects was the near ...n the next five-year ...hich all Comecon ...are committed to January 1, 1976. This ...to usher in integra... ...widest possible use ...ansferable rouble as ...Comecon currency ...t capital projects on ...ale.

...year earlier when ...econ premiers and ...anners met in Sofia ...ions were that 1975 ...ark a breakthrough ...road to integration. ...it now seems about ...te as the European Economic Community's economic and monetary union. The reasons for the disappointingly slow progress towards Comecon integration are simple.

To a certain extent the Comecon countries, perhaps with the exception of the German Democratic Republic, were committed by their planners to imports of advanced equipment and for consumer goods manufacturing equipment from the West. But inflationary price rises resulted in greatly increased import costs which had to be matched by higher exports of their own commodities.

Up to a point they were able to absorb the western inflationary price rises since for part of their raw materials, particularly iron ore and petroleum, they could rely under existing integration agreements on Soviet crude oil and other raw materials under long-term fixed price contracts.

With the rise in raw material prices on international markets, and in view of the fact that the Comecon countries paid the Soviet Union in kind by supplying manufactured goods at present international market prices, this was a situation which the Soviet Union was no longer willing to countenance.

Early this year prices of Soviet oil, natural gas and other raw materials were raised to world market levels. Under the new contracts, which it is reported have been negotiated ever since, these prices are linked to international indices. Thus, suddenly the Comecon countries were exposed to the adverse climate of world market trends. Moreover, coupled with the limit of crude oil supplies from the Soviet Union, the higher prices introduced an inflationary element into their national economies. Not all Comecon countries were equally affected. East Germany was able to adjust by a policy of fuel economy, improved use of indigenous lignite and enhanced labour productivity.

At the other end of the scale Hungary showed some of the typical symptoms of inflation and was forced to resort to stringent measures to maintain some control. This is not surprising. Within Comecon Hungary's structure is nearest to that of a market economy and therefore more sensitive to upward and downward movements than the meticulously planned system of East Germany. Thus to cope with the inflationary trend, the Hungarian government had to increase a wide range of prices, pare down capital projects and halt further development of the market mechanism.

To a l... extent other Comecon c...tries were constrained by ...gher machinery import co... from the West and fuel ...port costs from the East t...view their capital invest...t programmes. This is a ...mon denominator of th... economic policies. Mod...ization of existing capac... and rationalization a... automation of production ... likely to take the place ...physical expansion—tho... Poland and Romania, ...t on a higher degree o...dustrialization, may accep... degree of inflation and ...rnal indebtedness as th...ice to be paid for furth...pansion.

But th...licy is not a planned p...amme—it is no more t... improvisation after the ...donment of a plan for ...rial expansion througho...mecon, largely by plann...ntegration and large joi...ojects. Without che...uel and raw materials ...h a scheme would m...making bricks without ...

At the ...apest meeting the proj... a gas pipeline from the ...ral gas deposits of Oren...n the distant south-eas... corner of European ...ssia to the Comecon ...tries was welcomed. ...ruction of this pipeline ...now started with ea... the Comecon countries ...ng some 300 miles, ...mpletion will take fiv... years. Meanwhile, t...econ five-year plans f... 1976 to 1980, which p...ably early this year were in a stage of advanced preparation, will have to be redrafted.

There are signs that an urgent reappraisal is taking place and that at least the first year of the next five-year plan may see the Comecon countries marking time rather than making rapid advances. But this should not be misunderstood. Their growth rate is still likely to exceed 5 per cent but radical planning and industrial integration plans may be delayed. This atmosphere of hesitation and uncertainty has been aggravated by this year's poor cereal harvests in the Soviet Union, Hungary, Bulgaria and Romania.

The Soviet Union has already appeared as a buyer on transatlantic and European grain markets and the other Comecon countries will probably be forced to buy bread grain in competition. Unlike the Soviet Union, which can meet part of the costs of this operation by gold sales, they will have to divert goods they would normally require at home or for interchanges within Comecon, to exports to earn convertible currencies for cereal purchases.

Paradoxically, this situation will demonstrate their need for integration, if only to improve their trading position by joint economic and industrial tactics and strategy, while at the same time the immediacy of their needs will prevent them from taking concerted action and force them into separate and perhaps even conflicting stances. Yet another aspect of these developments will be a drive for industrial co-operation contracts with western enterprises.

Joint production arrangements under which the eastern and western partners either operate products payback arrangements or market their jointly developed and produced goods in Third World countries may help the Comecon countries to reduce convertible currency expenditure. But as such agreements, of which the Massey-Ferguson-Perkins contract with the Polish Ursus tractor company, under which both sides will cooperate in the manufacture of diesel engines and tractors, is an outstanding example, are largely bilateral they may cut across potential intra-Comecon planning and industrial integration.

Yet this policy could well be successful. Whatever the merits and achievements of Helsinki, the semblance or reality of political stabilization will certainly favour industrial cooperation agreements, covering several years between western and eastern enterprises.

A review of Eastern Europe's economic situation and prospects would be incomplete without a reference to Yugoslavia. Contrary to prophecies of gloom and doom, the experiment of a socialist market economy is succeeding and the Yugoslav long-term plan for the period up to 1985, which in the nature of things is an outline programme, shows no indication that the policy of economic decentralization will be abandoned. The country's industrial growth rate, which in the past 20 years has averaged 7 per cent, is intended to move up to 9 per cent.

So far Yugoslav efforts to reduce the high rate of inflation which equals British levels have not been successful, although certain measures of restraint, discouraging imports, have yet to work their way through to price movements.

The Yugoslavs are aware of economic disparities between the industrialized and underdeveloped regions of their country. They are considering effective measures to raise the growth rate in Macedonia and Kosovo by subsidies and credits and by the promotion of joint venture companies with western enterprises. The harvesting losses in Yugoslavia this season could be a setback, but they were rather smaller than in Hungary and Romania.

On the whole, Yugoslav prospects are not unpromising and their policy of increased trade with the Third World could well be correct.

Where 4 per cent growth is not enough

by Ni...s Ashford

Africa

...frica is expected to ...a growth rate of only ...3 and 4 per cent ... This may sound ...nough to beleagured ...central bankers, but ...h Africa it compares ...rably with last year's ...cent increase in real ...mestic product. Some ...sts doubt whether ...3 or 4 per cent will ...ved.

...e its prosperous ...ce, South Africa is ...t in the middle of ...its most prolonged ...recessions. It is ...ecause of the normal ...pattern of a market ..., but a more impor... ...r has been the drop in economic activity in South Africa's main trading partners, particularly Britain and the United States. A high rate of inflation, in part imported but also caused by big wage increases for both white and black workers, is retarding a recovery.

The recession began in the third quarter of last year and most indicators seem to show that it still has to go deeper before conditions start to improve. The seasonally adjusted index of factory production has been stagnating since the beginning of last year. The increase in real private consumption has slowed, as has private sector investment.

A recent report by the Stellenbosch Bureau of Economic Research showed that 58 per ... the country's manufa... could raise product... an average of 29 per c... without additions to exis...ant.

Impo... also showing a dow... trend even though ...al for the first half, ...2,744m (about £1,600m) ...s almost 24 per cent h... than for the equiva... period last year. During ... first quarter of this ye... seasonally adjusted import... still running at an ann...te of more than Rd6,50... but they slowed to abo... Rd5,000m during the sec... quarter. This is a shar... particularly in real te...

South ...a's present economic ...ems should not be exa...ed. The structure ... economy is sound. ... minerals in abundance, a strong agriculture, masses of cheap (though mainly unskilled) labour, and rapidly expanding industries. No one doubts that the present recession will eventually be overcome and a new era of prosperity begin.

However, the economy cannot be expected to pick up again until the present rate of inflation has been brought down. Inflation is running at between 14 and 15 per cent a year, which, although not high by British standards, is nevertheless higher than that of most of South Africa's trading partners.

The rate has shown signs of easing recently, but whether this trend will continue depends on the ability of countries such as Britain to curb their own rates of inflation and on South Africa's system of price controls. If, as seems likely, the "administered" prices of many foodstuffs and raw materials have to be raised again during the next year, the present moderate downward trend in the inflation rate could be reversed.

So far the Government has taken little direct action to tackle inflation except to urge people to work harder and firms to exercise restraint over prices, wages and profits. The two ways in which it could take effective action—reducing the supply of money and public spending—have not been tried, probably because it fears the political consequences of the unemployment that would almost certainly result. In the 1975-76 budget expenditure was raised by 18.6 per cent to Rd6,562m, leaving a budget deficit of Rd1,952m.

At present the Government's main concern seems to be the balance of payments. Last month Senator Owen Horwood, the Finance Minister, introduced a tighter money package which was designed not only to end speculation about a rand devaluation (the rand was effectively devalued by 4.6 per cent in June, when it returned to the dollar after a year's floating) but also to protect the balance of payments.

It is estimated that during the first half of this year there was a deficit of Rd700m on current account. However, this was more or less covered by an exceptionally high inflow of foreign capital. Probably the current account deficit for the whole year will be Rd1,000m or even more, which means that there will be an overall balance of payments deficit unless the inflow of capital is maintained.

Optimists believe that a recovery in the economy could start early next year, but pessimists (who, outside government circles, seem to be in the majority) doubt whether an improvement can be expected much before the end of next year.

As one banker put it: "There is no single strong factor in the economy which can lead to an early recovery—and you certainly cannot expect an improvement until the rate of inflation has come down."

Of course the outlook could be dramatically altered if there were an increase in the price of gold. But for the present this seems to be wallowing at about $160-170, while production is still falling. "South Africa's economic recovery is going to be a slow process", the same banker commented.

Stormy seas but Dutch are masters at keeping their heads above water

by Sue Masterman

The port of Rotterdam—one of Holland's transit points for goods between overseas and inland Europe—seen from the Euromast.

The Netherlands

The Dutch economy is fraught with troubles beyond its control. Mr Joop den Uyl, the socialist premier, warned in August, in expectation of the budget at the end of this month, that the hoped for improvement had so far failed to materialize. There was little a country like Holland, so heavily dependent on its trade could do so long as its larger neighbours and trading partners failed to provoke economic revival.

Despite that pessimistic note the Dutch record in the battle against inflation is quite respectable. Inflation remains below 10 per cent, unemployment below 6 per cent, and productivity continues to meet the target.

The recession has been felt by the Dutch, but with the aid of extra government expenditure, justified by state income from natural gas sales at home and abroad, the economy remains afloat despite external threats, such as rising commodity prices and protectionist measures in the United States.

It is, however, symptomatic that the juggernaut drivers and the inland waterways' barge captains have been the most demonstrative in illustrating the general discontent with such a long drawn-out period of recession. Holland's key position as the estuary through which much of Europe's goods are imported and exported means that its ports are a keen barometer of impending economic climate. And these two forms of transport are particularly sensitive to rise and fall in trade.

Neither the road haulage men nor the waterway transport workers are inclined to take kindly to any form of outside interference, and have prophetically demonstrated their discontent by isolating the country temporarily by blocking the major transport arteries.

Bankruptcies increased by 18 per cent in the first half of this year; the increase in industry was 30 per cent, in construction 15 per cent and in trade 5 per cent, but the transport industry topped the chart with a 124 per cent increase (85 firms compared with 38 in the same period in 1974).

In the fishing industry, a traditional but declining Dutch activity, government measures to limit catches and protect North Sea stocks have also led to recent blockades. The Government has retaliated by doubling, from now to the end of the year, the premium given to owners who scrap a ship from the fishery register.

The most important difficulty facing the Government, is however, rising unemployment. The Central Planning Office has predicted a rise in the present 200,000 to 250,000 or even 300,000 this winter. The Dutch have created one of the best social security systems in Europe but are paying a high premium to keep it going.

Those forced into unemployment can claim up to 75 per cent of their indexed salary for 2½ years. But the strain of carrying such a large proportion of its working population on the social security wage bill means that the Government is searching desperately for financial breathing space. The premium paid by all wage-earners no longer covers expenditure, and reserves are being eaten away.

Last year the Government pumped funds into particularly weak sectors of industry—building and construction in particular—by ordering more sponsored projects. Will they repeat the exercise this year? It is doubtful. The impulse, Mr den Uyl has said, will have to come from outside, and artificially high Government expenditure threatens to unbalance the economy in the long run. And even if the international economy does revive, it will be a long time before unemployment is affected, he said.

Dutch industry, confronted with an indexed wage system which keeps wage bills rising by 14 per cent or more annually, has been busy for some years reducing the number of jobs. They will not reappear as the economy recuperates; structural unemployment is in Holland to stay.

Other measures, such as the suggestion that the over-60s should be allowed to volunteer for an early pension in order to create vacancies, have been generally rejected as ineffective. The recession has also forced the Government to withdraw ambitious social welfare legislation, postponing until 1977 a new national insurance against invalidity which will be open not only to wage earners as it is now, but to everyone.

Plans for a national health insurance scheme, compulsory and open to all, have also been heavily criticized on cost grounds. The proposals for a new education Act are designed to put the brake on expensive facilities to educate graduates in some faculties, such as chemistry, where there are no job opportunities in Holland.

The Dutch are careful by nature, and are aware that their guilder is hard and fairly inflation-proof. Saving schemes, encouraging three to five-year contracts in return for up to 10 per cent interest, are very popular. That, however, has bled the economy of an important stimulus. People are not spending, and so long as they stay thrifty the economy will stay stagnant. Even the threat of a rise in the highest value-added tax from 16 per cent to 18 per cent has failed to make the money roll.

Mr Willem Duisenberg, Finance Minister, proposed a year ago to give every man, woman and child 100 guilders (approximately £19) cash in hand in order to promote spending. The plan was shelved for administrative reasons, but it is known that he still wants to put it into operation.

So it may be a state Christmas bonus for the Dutch, or it may be a question of sitting out the recession and trying to steer the "ship of state" through the equivalent of a hurricane, being thankful to remain without worrying about the precise...

Some may have more spectacular ... in countering ... centuries of experience taught the Dutch ... ing matters more ... ing one's head a... and that is where ... ceed.

Canberra halves increase in spending

by a Special Correspondent

Australasia

Over the past year the Australian and New Zealand economies have developed along similar lines, though to a different degree. Whereas Australia has sustained one of the highest rates of inflation in the western world—between 14 and 16 per cent—the cost of goods and services in New Zealand, with its socialistic approach to economic management, has inflated at only half that figure.

There are signs, however, that the sharp fall in world trade over the past year is having a delayed effect on the New Zealand economy. Forces now at work could mean that inflation will rise further this year while inflationary pressures in Australia will be easing.

The difficulties of both economies over the past few years stemmed initially, and in large part, from the unsettled world economic condition but more recently domestic factors have become predominant.

Expansionary measures continued to be applied to the Australian economy after the sharp upswing in trade which began in 1972. This created severe inflationary pressures within the economy and led to a strain on the country's balance of payments.

The boom was of fairly short duration and achieved its peak in the first half of 1974, but the process of tightening on money policy, which began in 1973, continued and became particularly acute in 1974. The subsequent fall was unusually severe and culminated in unemployment rising sharply to a postwar peak.

Sharp increases in the cost of money and real wages in 1973 and 1974 added strongly to cost pressures and were a major factor in the severity of the rise in unemployment. More recently, there has been an improvement in Australia's external account but inflation has continued at a high level.

Measures introduced in the 1974 budget were aimed at stimulating flagging industrial production and reducing the number of unemployed, one of the main objectives of the Labour Government.

Under the guidance of Dr Jim Cairns, who succeeded Mr Frank Crean in December, 1974, government expenditure rocketed, fuelled by sharply rising tax revenues brought about by inflation. Private industry groaned under the burden of sharply rising wages and the cost of raw materials.

Many companies suffered—and still are experiencing—severe liquidity problems, some large corporations became insolvent and went into liquidation. Expansion in the private sector of the economy slumped badly as companies could either not afford to pay high interest rates for long-term capital or did not have enough confidence in the future to undertake expansion.

The shift of resources to the government sector of the economy gathered pace and spending in socially desirable areas like education, hospital building, housing, regional and urban development rose quickly.

More recently, the Government has realized the damage that has been done to the private sector of the economy and the effect that it has had on rising unemployment. The new Treasurer, Mr Bill Hayden (the third since Labour came to power in December, 1972), demonstrated in his budget a conservative fiscal approach to the redistribution of income.

No cosmetics in budget

His budget offered little in the way of handouts or cosmetics but was designed to foster a climate of confidence in the recovery of growth and a reduction in the rate of inflation.

The rate of increase in government expenditure has been halved by Mr Hayden and the growth in the share of public sector spending in terms of gross domestic spending halted. In money terms Australian government outlays will rise by 22.9 per cent by comparison with last year's 45.8 per cent increase.

That is as far as the new Treasurer could go without doing serious damage to government expansion policies already in train. Mr Hayden believes that government expenditure should be reduced to 25 per cent of gross domestic product but this will take time to achieve.

The new Treasurer points to some favourable developments in the national income accounts. The June quarter figures, issued conspicuously on budget night, show that after seasonal adjustments, company gross operating surplus rose by 37.3 per cent in the period. At the same time wages, salaries and supplements rose by 1.1 per cent after adjustment.

Such an exaggerated differential is not to be taken literally, but the figures do show when aggregated with those of the preceding half year, that a shifting of income back towards company income is taking place.

Certainly, the percentage movement in the wages item over the past eight quarters (6.1, 5.1, 5.4, 7.2, 10.8, 4.9, 2.2 and 1.1 respectively) is good news in itself—though no one would be foolhardy enough to predict from these figures an end to inflation or of the recession in Australia.

Nevertheless, Mr Hayden has been given the basis from these statistics to argue for persistence with his policy of budgetary conservatism rather than opting for policies to bring about a much quicker recovery in the economy.

Last month's 15 per cent devaluation of the New Zealand dollar will give New Zealand exporters of primary products a shot in the arm. The New Zealand economy has swung back into deficit which is expected to be at least about $500m this year.

Part of the reason for this has been the slowing down of agricultural export growth because of poor seasons and the rapid decline in wool and meat prices. The value of imports into New Zealand has risen rapidly mainly because of the sharp rise in the price of Middle East crude oil, and the liberalization of import licensing in 1973.

The deficit has been covered by drawing on foreign exchange reserves and short-term borrowing from abroad. The devaluation will not cure New Zealand's balance of payments problem but will help to make its substantial export business more competitive, particularly against Australian primary producers.

There has been lobbying on the part of Australian primary producers to get the Government to devalue the Australian currency, but there is almost no hope of this happening.

Australian exports to New Zealand amounted to $449m (about £264m) in 1973-74 compared with only $163m worth of goods (about £82m) exported from New Zealand to Australia.

The devaluation was well timed and carefully pitched so as not to start a retaliatory move by Australia. It will give New Zealand exporters of meat, wool and dairy products an advantage over their Australian counterparts. The Australian beef industry is already in deep trouble.

It will also add to inflationary pressures within the country and tend to make local industry less competitive. The system of protection from foreign competition may have been an important factor in providing security of employment in New Zealand but emphasis placed recently on manufacturing investment could be doing harm to the country's economy.

The message in a recent OECD report was that New Zealand should put emphasis back into primary production and less into the development of ... industry.

There is little ... further measures ... needed to improve ... Zealand economy ... if inflation starts ... well it might.

The Government ... gambling ... Britain and ... huge oil fields ... though the ... The longer ... the economy is ... tougher will be ... ahead.

Scant resources to combat inflation

by John Rettie

can-assisted oil exploration in the ... of Coro, Venezuela. Production is limited to help to conserve oil.

Latin America

The income from oil and sugar has been the Latin Americans' only defences this past year against the worldwide scourges of inflation, rising unemployment and foreign indebtedness.

Few Latin American countries were lucky enough to have those commodities in sufficient quantity to escape these ills altogether. Even the lucky ones were rarely skilled or well organized enough to make the best use of their good fortune.

It was a year in which most Latin American economies suffered brutally from the worldwide recession, particularly that of the United States. Both the value and quantity of their exported commodities—copper and other metals, coffee, cotton, cocoa, bananas and so on—fell sharply.

At the same time, overseas markets for manufactured and semi-manufactured goods were severely restricted. Thus export earnings came under severe pressure, just at a moment when oil prices reached their peak, and inflation in the industrialized countries forced up the cost of the equipment and machinery needed for their development.

Imported inflation created serious social and political problems, both where it merely stoked the fires of internally generated inflation—in contries such as Argentina, Chile and Uruguay—and in countries (such as Venezuela, Colombia, Mexico and the states of Central America) for many years accustomed to more or less stable prices.

Perhaps the most dramatic economic crisis in Latin America at present is that of Argentina. In a sense it is also the most tragic. Threequarters of a century ago Argentina was not merely the richest country in Latin America; it was the fifth richest in the world—wealthier than Canada at that time.

The country is still well off by Latin American standards, but if its potential were realized it could be even wealthier. Inflation is accelerating, and could well reach 250 per cent by the end of this year. The foreign debt has topped $10,000m (about £4,800m), nearly a third of which is due for repayment before 1976.

Unemployment began to race ahead in August and thousands more went on to short time. For employers, credit is almost impossible to get and the rate of bankruptcies among companies has risen dramatically.

Under the circumstances it is not surprising that the Export Credits Guarantee Department should have decided, at the beginning of August, not to provide insurance cover for British exports to Argentina unless credit was required for less than six months. It may well be that Argentina will be able to negotiate the refinancing of its external debt, but the ECGD has given a clear warning that the international financial community has no confidence in the country's economic management.

Although meat exports were down almost 45 per cent last year, other exports held up well and the country is almost self-sufficient in oil. The main cause of the crisis lies in the political confusion prevailing since General Perón's death last year.

Despite a slightly more liberal line adopted by the new President of Brazil, General Geisel, no such political confusion has affected the economy of Argentina's main rival. Brazil, however, is seriously threatened by two external factors: the quadrupling of oil prices in 1973-74, and the worldwide recession. So far the Brazilian economy has weathered the storm better than many expected, thanks to the Government's clear-cut and skilful management and to its firm control over the political and social scene.

But the threat remains. Although the country's export performance continues to be impressive, with an increased percentage of 36.4 per cent in the with the same period in the previous year, the balance of payments perspective looks ominous. Exports soared to $6.018m, giving a trade deficit of $1,835m and a current account deficit of $3,365m when service costs are included.

Investors are still putting money into Brazil on a large scale, but not large enough to cope with this kind of deficit. The overall balance of payments deficit in the first half of this year was more than $1,000m. By the end of this year the total foreign debt is expected to reach $21,300m, with reserves of little more than $4,000m.

If it were not for oil, Mexico would be facing the same balance of payments crisis as Brazil. Although the Mexican economic strategy has a stronger nationalist veneer than Brazil's, it is fundamentally similar, with rapid growth by large-scale foreign investment and borrowing and the development of export rather than domestic markets.

The 1973 oil crisis threatened Mexico with an impossibly high import bill, but a crash exploration programme yielded results beyond the Government's wildest optimism. In June last year the country became self-sufficient in oil and in September an oil exporter.

Mexico's good fortune is not anything like Venezuela's, which earned about $10,000m from oil last year. Venezuela is steadily reducing production in an effort to conserve oil, particularly since it cannot possibly absorb such enormous sums. Now a financial power in the continent, the country is experiencing the predicted difficulty in adapting its economic and social structure to the task of rapid industrial and agricultural development. Despite this, some impressive capital investments are taking place, particularly in the iron and steel industry.

Among other countries suffering severe difficulties are Chile—where the military junta has so far been unable to restore economic and financial order since overthrowing President Allende two years ago—and Peru.

To a lesser degree than Chile, Peru has seen copper export earnings decline sharply. Colombia has been undergoing a period of serious social unrest as a result of rapidly rising unemployment, but this was perhaps an inevitable consequence of the stabilization programme which has succeeded in reducing last year's rapid rate of inflation.

The author is editor of *Latin America*.

Peking pauses between development schemes

by David Bonavia

Agriculture the Chinese way: a small part of the annual grain harvest of about 250 million tons.

China

The world recession has not left China unscathed, despite its vaunted policy of economic self-sufficiency. With the price of its import rising and demand for exports falling, China has rather suddenly developed an overseas trade deficit in excess of £400m, with little prospect of reducing it substantially in the near future.

Financing the deficit by short-term borrowing and by government-assisted credits from its trading partners, China has no immediate need to slash imports. But such a large imbalance goes against declared doctrines as well as the practice of the past two decades. China's imports are basically of three types: grain, capital equipment, and metals and minerals.

Of those, China can hardly reduce imports of the third category without drastically affecting industrial production and defence capacity. But it can cut the grain bill through management of home-grown cereals and by cutting rice exports, and it has good reason to take a "pause for digestion" after the very active importing of the latest industrial technology and equipment which characterized its trade from 1972 to 1974.

US likely to lose most

To prevent a further inflation of the import bill, which ran to about £2,000m last year, China seems to be cutting back on grain imports. Early this year it cancelled orders for about 600 million tons of wheat from the United States, and the rise in prices likely to be caused by the recent Soviet orders may deter it from negotiating large purchases in the near future.

That could cut China's imports from the United States this year to a mere £50m or so, by comparison with the £350m chalked up last year, mostly in grains and cotton.

Thus the Chinese trading deficit can be cleared largely on the American trade alone, though Japan also has a surplus of about £300m in its trade with Peking. As usual, China's massive exports of food, consumer goods—and nowadays oil—to Hongkong will help to finance the deficit.

If Peking does decide to buy more grain this year, it may prefer to turn to Canada, Australia or Argentina, being displeased with the Americans because of President Ford's policy of détente with Russia.

In the first quarter of this year there have been signs of a marked resurgence in China's imports from most of its other main trading partners in the capitalist world—Japan, West Germany, France and, to a more modest extent, Britain. That clearly involves goods which were ordered months or even years previously, so it should not be seen as marking a more open-handed importing policy this year. But the effect on the Chinese balance of payments may cancel out the savings from the American grain bill.

As this is the last year of the present five-year plan, there is a mood of winding up and clearing accounts among the officials who direct China's foreign trade. They have told foreign exporters that the country is unlikely to make large investments in whole industrial plants in the next year or two, though there may be exceptional instances.

It is believed that in the next plan, which will be part of a 10-year development scheme, emphasis will be placed on the development of port facilities, railways, oil extraction and petrochemical industries. But plans for the related imports do not seem far advanced, and most of China's trading partners have the feeling of being in a trough between two waves of intense business dealing.

One of China's main worries must be the sagging demand for exports. Inflation has dampened demand for light industrial products and many agricultural raw materials. Despite initial optimism about the prospects for revenues from petroleum, serious difficulties of transport and refining seem likely to hold oil exports back for the next few years.

The unusually poor performance of the Canton export commodities fair last spring symbolized the difficulties China is facing in selling goods abroad.

Such vicissitudes in foreign trade could strengthen the hand of those political circles in China which argue, sometimes publicly, for still less dependence on foreign sources of materials and technology. But in the modern world no country is an economic island, as China's civil aviation fleet, consisting of imported American, British and Soviet airliners, is a cogent reminder.

While it seems that the harvest will be fairly good this year, rumours of industrial difficulties persist, particularly affecting the railways, coalmining and steel production. Wall posters have appeared calling for a big effort to economize on iron and steel and some factories are half idle because they have used up their steel quota.

But it is a tribute to the cautious economic policies pursued in recent years that the country can absorb internal and external difficulties without facing crisis, inflation or serious shortages.

Little prospect of improvement this year

by Dick Wilson

South-east Asia

South-east Asia has had a poor year, in which the political uncertainties generated by the communist victory in Indo-China have been compounded by domestic economic recession.

The world prices of many of the important primary commodities exported by South-east Asia began to decline from about the middle of 1974. This was true of copper, copra, cotton, rubber, timber and tin. The trend continued into 1975 and it looked as if the calendar year 1975 would prove to be one of the worst in recent years for commodity earnings.

The impact of price changes was, however, uneven because there were other commodities which remained in strong demand until the end of 1974. This was true of jute, maize, palm oil, sugar, tapioca, and—to a less extent—rice.

While the region as a whole continued to be badly hit by the inflation in oil import prices, now fully reflected in higher prices for western and Japanese machinery, two countries benefited.

Indonesia succeeded in expanding its foreign exchange reserves during 1974 by 86 per cent, largely because of the tremendous increase in earnings from oil exports. At the same time Malaysia joined the list of oil exporting nations, with commercially exportable production beginning in Sabah and Sarawak.

Manufacturing badly hit

But the slowing in economic growth which began in 1974 continued into 1975. For the non-communist states of the Association of South-East Asian Nations (ASEAN), comprising Indonesia, Malaysia, the Philippines, Singapore and Thailand, growth during the calendar year 1974 ranged from 4 to 7 per cent.

In Burma the figure was about 2 per cent, and in pre-communist South Vietnam there was an actual decline in gross national product of 2 per cent during 1974.

There does not seem much prospect of improving these rates of growth during the present year except possibly in Indonesia.

The increasingly important manufacturing sector in most of the countries which have begun to export electronic goods, textiles and other simple manufactures to western and Japanese markets has been particularly distressed this year. Industrial lay-offs ran into tens of thousands.

While agricultural conditions varied vastly, the hunger marches by rubber farmers in the northern Malaysian state of Kedah in December illustrated how price developments could afflict even a well organized rubber-producing state.

It has to be added, however, that during 1975 tin producers were able to secure a new international price stabilizing agreement to succeed the old one, while Malaysia went a long way towards getting international support from its neighbours in its efforts to stabilize the price of rubber through buffer stocks and government intervention in the market.

In Singapore, the business centre of the region, the growth in gnp during 1974 was put at almost 7 per cent, which was only half the average rate of growth achieved during the preceding few years. Mr Hon Sui Sen, the Finance Minister, budgeted for a small surplus for the fiscal year of 1975-76 as a counter-recessionary measure.

Having diversified so strongly from trade into manufactures, Singapore suffered particularly from the recession in the West. The electronics industry, which has become so well developed in Singapore that there has been a considerable spread of the simpler phases to lower-cost sites in Malaysia and Indonesia, provides perhaps a typical example.

Three electronics enterprises closed down during the past year and another eight were reported to have shifted their operations elsewhere. Private industry sources were reported to feel that the outlook for 1976 was bleak.

A government view expressed in the middle of this year was more optimistic, pointing to some resumption of production and predicting recovery starting at the end of this year and taking effect fully next year.

The city republic continued to take advantage of the offshore oil exploration in South-east Asian waters, acquiring such a reputation for constructing oil rigs and service vessels that orders and inquiries came from as far afield as China and Russia.

On the other hand the change of regime in South Vietnam in April meant the loss of that market for the products of the Singapore oil refineries—a bitter blow. Sumitomo of Japan, however, affirmed its intent to go through with a huge petrochemical complex on which Mr Lee Kuan Yew, the Prime Minister, has set his heart as the next logical development of Singapore's oil refining industry.

In neighbouring Malaysia the fall in the price of rubber cut the trade surplus to less than a tenth in the first quarter of the year. The Bank Negara forecast a 4 per cent expansion of physical production during 1975, followed by 6 or 7 per cent in 1976. But this would mean a growth in income per head of only 2 per cent this year.

Further, export prices were expected to fall altogether by about [illegible] per cent in 1975. Because of the high prices of imported capital goods, Malaysia's terms of trade were thus expected to deteriorate by some 12 per cent, wiping out the effect of the expansion in gross domestic product. Small wonder that Malaysia has become a vocal member of the Group of 77 calling for a new international economic order in the United Nations.

Thailand registered [illegible] 4 per cent growth in 1974, having a fairly good agricultural year. But the visible trade gap was a record one, made up in this case by receipts from tourism and influxes of aid.

Indonesia saved by petroleum

Considerable labour trouble was experienced in Thailand's industry this year, partly because of the antagonisms and expectations aroused by the renewal of party politics and elected parliamentary rule. The loss of confidence by investors after the fall of Vietnam did not help.

The Philippines, helped by the price of sugar and a continued flow of funds from the United States, escaped the worst in 1974, with a growth of 6 per cent and a balance of payments surplus of $96m in spite of the vastly higher oil import bill.

Manila's reserves, indeed, reached a record of $1.[illegible]m, almost as much as Indonesia's. This did not prevent Mr Gregorio Licaros, the Governor of the Central Bank, from allowing the peso to achieve an effective devaluation of about 8 per cent during July by the process of floating against the dollar.

This coincided with the 1975-76 budget, which was a moderately expansionist one with spending up about 10 per cent. In the fiscal year which ended in June agricultural and mining output grew by only 3.8 per cent and the industrial growth rate also sagged.

In Indonesia the budget showed a surplus, reflecting the expected sixfold increase in net earnings from petroleum, the commodity which has saved the Indonesian economy from stagnation and injected it with new hope.

Ironically, this happened in a year when the state oil corporation, Pertamina, had to be helped over inability to meet short-term loan obligations overseas. Indonesia's credit remained good, given its oil production prospects, but the power of Pertamina was greatly reduced in other parts of the economy.

In Malaysia, it may be noted, the state corporations which followed to some degree the Pertamina pattern namely Pernas and Petronas, went from strength to strength, acquiring a greater share of Malayawata, the Japanese joint-venture steel mill, and bidding, through a Singapore merchant bank for control of London Tin.

But just as Sumitomo came to Singapore's rescue by endorsing the petrochemical complex there, so the Japanese finally came round to committing themselves to the Asahan aluminium project in Indonesia, which is worth about $850m.

Burma contin[...] stagnation in [...] tion with a growt[h] [...] 75 of only 2.4 [...] barely one third [...] government objec[...] goal for the presen[t] been modestly re[...] 6.4 per cent, but [...] sounds optimistic.

South Vietnam's [...] after the April ta[...] the communists we[...] to shorter supplies [...] industrial rehabilit[...] the war. Even th[e] [...] estates, due for n[...] tion where th[...] French-owned, wer[e] [...] by defoliation in [...] stages of the war.

Cambodia retire[d] [...] spring into a se[...] isolation and Laos [...] occupied with the [...] of the Vietnam[...] Neither econom[y] [...] said now to be in [...] In the long run [...] Vietnam could [...] economic power [...] quence, but no on[e] [...] of when that [...] achieved.

Nevertheless, th[e] [...] logue of the regio[n] [...] comings does not [...] fact that it has [...] better than many o[...] of the Third World [...] the industrialized [...] the present univer[...] mic malaise.

With its strong [...] and agricultural [...] South-east Asia e[...] era of resource [...] with advantages a[...] confidence.

A family taking latex from a rubb[er] plantation to a Malaysian pro[...] factory.

After the drought a new disaster

by Alan Rake

Black Africa

A year ago Africa's major problem was the drought which hit all the Sahelian states and Ethiopia in 1973 and 1974. It was tackled by a huge international relief operation, but has since been eased by several seasons of good rainfall.

Drought is now concentrated in the Ogaden desert of Somalia and Ethiopia where up to 250,000 people have passed through relief camps since October last year. Patches of drought have also occurred in other East African countries; however, the natural disasters of 1973-74 have been overtaken by the financial disasters of the tottering world economic system.

Africa, which has a majority of those states defined by the United Nations as the "most seriously affected" by the consequences of the oil crisis has been hit by the sudden fall in commodity prices from their 1974 peaks. Furthermore, the falling demand for raw materials has caused a slump in export earnings. The country has also suffered from the effects of world inflation with balance of payments and reserves deficits.

Africa's main exports, in descending order of value, are oil, copper, cotton, coffee, cocoa, iron ore, timber and phosphates. All these—except oil and phosphates—have fallen since 1974 to well below their peak. Yet these peak levels had done little more than restore the terms of trade between industrial and developing countries after more than a decade of depressed commodity prices.

The high price of phosphates benefited only a few Maghreb states, while oil, in reasonable quantities, is produced by Nigeria, Libya, Algeria, Egypt, Gabon and Angola. These countries have naturally benefited to the full from the Opec oil price increases.

Almost all the rest of Africa's main commodities fell in 1974, some by more than half from their peak levels. Many, like coffee, copper, cotton, tea and rubber are almost back to the depressed levels of the past two decades.

The managing director of the International Monetary Fund (IMF), Mr Johannes Witteveen, notes that exports from developing countries, curtailed by the West's depression, rose by only 2 per cent in 1974 compared with [...] per cent the previous year. [...]er imports, sustained by foreign borrow[ing] remained at 12 per cent. [The] pattern in Africa was typ[ical] of this trend.

Most of Africa's 44 independent countries have s[een] their oil bills increase th[ree] or four times since the [oil] crisis and though the rate [of] increase has been slowed [in] the past year it still con[tinues]. Africa lost $60[...] (approximately £270[...]) through increased imp[ort] bills in the first year af[ter] the Opec escalation.

Meanwhile, Africa has h[ad] to bear the full brunt of [the] inflation in the prices [of] western manufactures. Afr[ica] finds that it has to pay t[he] same prices as the Arabs [for] its consumer and capi[tal] goods or run the risk of su[p]plies being diverted [to] richer markets.

The earlier drought a[nd] the below average perfor[m]ance in African agricultu[re] generally resulted in Afri[ca] becoming a net food impo[r]ter last year and conside[r]ably inflated food impo[rt] bills. The oil rich Africa[n] countries like Nigeria an[d] Gabon, pursuing expensi[ve] development plans, hav[e] spent much more on capit[al] equipment and machiner[y]. Inflation rates vary from 5 per cent in Uganda and Tanzania, previously countries which had inflation well under control, to rates of 1[...] per cent to 20 per cent fo[r] most typical African economies.

This conjunction of falling exports and rising import[s] pushed countries which hav[e] hitherto enjoyed a favour[]able balance of trade into deficit—Sierra Leone, Ghana and Tanzania, for example—while it considerably reduced the surpluses of others. Africa also had to borrow from the Eurodollar market and other commercial banks.

By March 1975 it had withdrawn 181 million special drawing rights from the IMF oil facility which amounted to more than 7[...] per cent of the increased cost of its oil imports, a percentage higher than that of any other region in the developing world.

Africa's leading oil producer, Nigeria, was the only black African country to earn riches beyond its wildest dreams over the past year. Though it is now allowing oil production to decline gradually from the peak production of 2,300,000 barrels a day, enough oil revenue was earned last year to bring in a record N5,252m (a surprising £3,751m approximately). Oil exports in 1974-75 earned £N5,500m compared with only N1,900m in 1973-74.

However, this vast accumulation of wealth brought its problems. As Nigeria launched its giant N30,000m five-year development plan and private industry started on an investment spree, problems began to affect essential services. Queues developed outside all the main ports; airports became clogged with cargo and the railways and telecommunications systems were unable to cope with the sudden upsurge in traffic.

Chief Jerome Udoji headed a commission to review the wages of civil servants that had been pegged for three years. He agreed to pay rises averaging 80 per cent. When workers in the private sector saw the lavish awards for government workers, they too demanded their *Udoji* and after a series of strikes and a prolonged period of uproar, wages in the private sector also rose by more than 30 per cent.

Nigeria's inflation rate jumped from below 15 per cent to well over 30 per cent when the effects of international inflation and increased traders' mark-ups are also taken into the equation.

Kenya has well developed secondary, touristic and services industries, but not being an oil producer like Nigeria, it was badly hit by the oil price escalation. Kenya's unfavourable balance on current account jumped from 980m shillings (£63m approximately) to 2,395m shillings, a deficit equivalent to 12.2 per cent of the gross domestic product, compared with only 5.8 per cent in 1973.

Kenya's main agricultural exports (tea, coffee and so on) grew by only 29 per cent, but imports increased 71 per cent because of higher prices for manufactures and a serious deterioration in terms of trade as Kenya's currency floated down with the dollar. But the prime cause was the increase in value of fuel and lubricants which increased the deficit by one third.

Zambia did reasonably well in 1973-74 because increased cost of oil imports was counterbalanced by a buoyant copper price—copper accounts for 93 per cent of Zambia's export revenue. However, the copper price collapsed by two thirds from its peak levels in 1974 and this sent the Zambian economy reeling.

Foreign exchange reserves have fallen from 195m kwacha (£139m approximately) in September 1974 to [...]24m in July this yea[r] [...] bills have risen to [...] 1974—60 per cent m[ore than] in 1973—because of [...] and fuel costs and [...] port bills since the [...] the Zambia-Rhodesi[a] [...] in January, 1973.

Cost of living [...] have increased by [...] cent for the higher [...] groups and 40 per [...] lower income groups [...] massive governme[nt] [...] sidies on maize, wh[...] sugar. Fertilizer bi[lls] [...] increased 33 per c[ent] [...] wheat 200 per cent [...] 400 per cent since th[e] [...] Israel war in 1973.

In this year's [...] speech at Mulungus[hi] [...] President Kaunda sp[ent] [...] seven hours on the ec[onomic] [...] and political problem[s] [...] country and said the[y] [...] could no longer pre[...] be rich, that the dep[endence] [...] on copper had to be [...] and agriculture had [...] improved.

Tanzania is possib[ly] [...] worst hit of all the [...] countries. It has no [...] sources of its own, a [...] high dependence on [...] fertilizers and it su[ffered] [...] from a serious drought [...] disrupted the preca[riously] [...] balanced agricultural [eco]nomy.

The drought came j[ust as] [...] Tanzania was launchin[g] [...] into its *ujamaa* polic[y] [...] regrouping the village[s] [...] self-help communities.

Agriculture has su[ffered] [...] from the shifting p[...] population. The result i[s] [...] the country is relying [...] successful maize harves[t] [...] year. If this fails, Ta[nzania] [...] will have to import m[...] amounts of food—last [...] £60m was spent on imp[orted] [...] foodstuffs.

Increased imports of [...] and petroleum produc[ts] [...] the time world prices [...] reached peak levels, at [...] end of 1974 and earl[y] [...] 1975, led to inflation [...] precedented even in Af[rica]. The cost of living inde[x] [...] creased by a record 57 [per] [...] cent, compared with [...] 12.9 per cent in 1973. Be[...] this figure was a rise o[f] [...] per cent in food items [...] 24 per cent in non-f[ood] [...] items.

The situation also led [...] intensified balance of [pay]ments problems. In 1974 [im]ports rose by 56 per cent [to] a record 5,400m sh (£34[...] approximately), while [ex]ports were only up by 16 [per] cent to 3,000m sh with [...] trade balance deficit [...] from £56m to £153m.

The author is editor [of] African Development.

هكذا من الأمل

TIMES PAST THE TIMES

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[M]ORE THAN A PRESSURE GROUP

[...]econd Trades Union Con[gress] of the era of the social [contract] is likely to bear a kind [...]gdog resemblance to the [...]. Once again the repugnant [...]le of wage restraint [...]e reluctantly but firmly [...]ed, out of loyalty to a [...] Government and a sense [...]tional crisis. But last [...] glow of recent electoral [...] will be absent, the fears [...] far more acute, and the [...]ome wages policy, statu[tory] [...] all but statute, will be [...]surably more severe than [...]eticulation of loopholes [...] seemed so irksome a year [...]. With wage claims to be [...]d to six pounds and [...]loyment expected to rise [be]yond one million, it is [...]able that a congress can [...] and not clamour for [...]nce against the govern[ment] of the day. Yet this mild[ness] [is] paradoxically not a sign [of wea]kness but of strength, and [...] constraints that go with

[It i]s not certain that the [...]ss will last. The six [pound] policy has not hurt any[one y]et: it became effective [a] month ago. In nine or ten [...] many workers will know [...]r cost how far six pounds [f]all short of maintaining [l]iving standards. Employ[ment s]eems so far to have fallen [...]h through natural wastage [...]on-recruitment as through [redund]ancies and factory [closure]s, but as the decline [...]es its consequences will [b]e painful.

[The] most immediately interest[i]ng about the congress will [be the] indications it gives of how [th]e Government will be able [to car]ry the trade union move[ment] with it. A substantial [minori]ty of delegates will cast [their b]lock votes against the six [pound] policy even as a present [necess]ity; many more will be [...]s to stress that the inter[ferenc]e with the processes of [c]ollective bargaining must [be ex]ceptional and brief. The [atmos]phere will not lend itself to [...]ic discussion, at least in [...] of what kind of more flexible scheme of restraint should follow the present one.

We have seen more than once how much more easy it is to operate a short sharp freeze than to carry through a policy which permits adjustments and still prevents a fresh bout of wage inflation. The six pound policy particularly tends to magnify the tensions that accumulate during a freeze, because it undermines differentials In addition, the disagreement over whether the figure is a maximum or an entitlement is bound to cause friction at some stage. It is not too soon, while relations are still good, to start that process of laying in an outline for phase three of the social contract that Mr Len Murray hinted at last week.

The call for incomes restraint constitutes only part of an anti-inflationary policy. There is also control of public spending. But on the agenda at Blackpool motion after motion calls for the maintenance or extension of public services, not only in particular cases (the teachers, for instance, will not bear of cuts in education), but also in general as a means of maintaining employment and compensating for any decline in real earnings. Since the Government cannot offer any satisfaction on these points—at least it should not—it will again tend to alienate the trade union movement.

Last week's miners' ballot underlines another factor. The leaders of the TUC and of individual unions can never move too far from what is acceptable to their followers. The miners have found the six pound policy acceptable only by a majority of three to two, and in South Wales and Scotland they rejected it. As these two areas are among those that would suffer most if the industry priced itself into a decline, there is no sign there of that mood of prudent self-interest that hard times are supposed to bring. The tradition of solidarity in the industry may be strong enough to ensure that the Scottish and Welsh coalfields follow the majority, but it is clear that the miners will scarcely be in the mood for self-denial in a year's time. If they are so cool today, what will be the mood of other groups of workers, negotiating their claims after eight or nine more months of inflation?

The paradox of this year's congress is that even as it swallows the bitter pill of wage restraint its influence on public affairs is greater than ever. Indeed, the pill itself is one largely of the TUC's own manufacture, albeit under urgent pressure from the Government. The July White Paper was virtually a gloss on a TUC statement; the Labour manifesto on which government policy is formally based was drafted upon TUC advice; TUC representatives sit on public bodies which help to determine the course of social and economic policy; TUC leaders have a relationship almost of colleague and colleague with senior ministers. From being one powerful pressure group among others, the TUC has become almost an arm of government.

The image is one that the present leadership in the general council are concerned to foster, and they are aware that it entails taking account of wider interests than those of their members. But a motion from the electrical power engineers, which speaks of this new role, and asks whether the TUC's structure and communications are capable of sustaining it, is a reminder that the members themselves are often unable to make their real views felt. The block vote, the show of hands at the ill-attended branch meeting, the expulsion of members without proper appeal procedures and the power of officials in unions whose rules provide no practical means of dislodging them all tend to maintain that tendency towards oligarchy which the movement has often shown. If it is to be part of institutionalized democracy, the trade union movement must itself be democratic, and be seen to be so.

[RE]VOLUTIONARY CONFUSION IN PORTUGAL

[The co]urse of Portgual's revo[lution] [re]mains as baffling as ever [to out]side observers—and [on]e [suspect]s also to those on the [inside]. Increasingly divided [among] themselves, the soldie[rs and politici]ans seem still to share [the] qualities of secretiveness [and in]decision; so that any piece [of inf]ormation bearing on the [future]—even on the next few [days]—has a double chance of [being w]rong. Its author may be [misinfo]rmed, or its subject may [change] his mind. Or both.

[The] two most spectacularly [activ]e figures are the Presi[dent, G]eneral Costa Gomes, and [the he]ad of Copcon, General [Ot]araiva de Carvalho. On [the bas]is of their public utter[ances] the former is usually [regarde]d as an ally of the mod[erates] within the Armed Forces [Moveme]nt (whose position is [close t]o that of the Socialist [party]) while the latter is [regarde]d as the hero of the revo[lutionar]y extreme left. Yet the [...]it has repeatedly dis[appoint]ed the moderates by [coming] down on the side of their [...]rget, General Gonçalves [...] often "cancelling" the [...]ements of his decisions [...]ours of their appearance, [other]wise balancing them with [...]sion running against [General] Gonçalves on a different [...]nd General de Carvalho [...]t the confidence of his radical subordinate[s] [...] [con]tinuing to flirt with [the mo]derates and to attack [General] Gonçalves at a time when the far left has decided [that the] moderates now repre[sent a] greater danger, and that [General] Gonçalves must be given [...]support in order to stave [off the d]anger of a swing to the

These two men with General Gonçalves himself form the triumvirate to which the supreme direction of the country's affairs was entrusted by the General Assembly of the Armed Forces Movement at the end of July. Their inability to provide any real leadership simply reflects the contradictions in which the Movement as a whole is embroiled. Perhaps the key decision of the past week has not been the replacement of General Gonçalves as prime minister by Admiral Pinheiro Azevedo (himself a thoroughly enigmatic political figure) nor even the appointment of General Gonçalves as chief of staff (which clearly cancels out any satisfaction the moderates might have drawn from his removal as prime minister), but the decision to summon another full meeting of the General Assembly of the MFA for next Friday. Ostensibly at least this is an important victory for General Gonçalves, who at the last meeting found his supporters on this body in a comfortable majority. But the triumvirate apparently has the right to alter the composition of the assembly, whose representative character has been hotly contested by the moderates.

All the military leaders seem to be caught in a contradiction between two different principles of authority. As officers, they were trained to give orders which should be carried out as a matter of discipline; and it was their control of a relatively disciplined armed force which enabled them to seize and to retain power. But they did so in the name of democracy; and while not all of them accept the conventional Western interpretation of that term, they all realize that it has something to do with votes, and with the responsibility of those in command to those below. They know that in politics it is not enough to give an order: you must win the support of those whom you expect to obey.

When a conflict arises, each faction therefore attempts to prove that it is more democratic and more representative than the other. The moderates were taken seriously only when they were able to show that they had strong support among officers up and down the country. But do these officers accurately represent the views of the NCOs and other ranks? In the north it was some of the latter who demanded and obtained the reinstatement of the regional commander, General Corvacho, after some of his officers had obtained his removal

On the face of it, the moderates were strong enough a week or two ago to have ousted General Gonçalves by force. They did not do it, probably for three reasons. They knew that if they did so there would almost certainly be civil war. They were not sure, if it came to civil war, how many of the armed forces would really support them. Above all they did not want to vindicate the charge of their opponents that they were preparing a right-wing coup d'etat.

Civil war is certainly worth avoiding at almost any cost. But it is hard to see how it can be avoided unless the radicals within the MFA abandon their attempt to keep pushing Portugal leftward by force. For in the last resort what matters is not who represents the armed forces but whether the armed forces represent the people. Unless they can come to terms with the representatives whom the people elected on April 25, the overwhelming presumption will be that they do not.

[Changes i]n English

[From Mr] Alexander Franklin

[...] that we are being asked [...]about English speech again. [O]nce a year—or so it seems [—p]eople are moved to com[plain in] *The Times* and elsewhere [about dr]opping speech habits, and [cite] instances what they are [...]ing is that the new habits [...]because they, the writers, [...] them. Mr Kingsley Amis [is a] [...]le example in the current [correspon]dence.

[...]he and others are them[selves in] error is in their failure [to reali]ze that there is no right [or wrong] about English speech. [There may] be about other languages [(French f]or example) but that is a [different] matter. If, whatever the [...]ge brings in a new sound [or a new] form of utterance, it be[comes Eng]lish. Even the glottal stop [which Mr] Amis says is a German [...] [I d]on't know why he thinks [it is sol]ely German property), is [certai]nly used in English, an[d ...]nise too.

[I recal]l that when I studied [...] good many years ago, [...]es as the "intrusive r" [and the g]lottal stop (which we re[ferred to] as the shocked glottis) [...]ed, and all manner of [reasons w]ere advanced as to why [they shou]ld be shunned, including, though I never saw why [the "intru]sive r" in "law r and [...]as any less pleasing to [...]an the accepted "linking r" in "a pair of shoes"), and on grounds of health, of all things, because, it was claimed, the strain on the vocal cords in producing the stop or shock could eventually impair vocal quality. (How have Mr Amis's Germans been managing all these years, I wonder?) I have now come to see such rules for the nonsense they are.

Come to think of it, isn't the constant change and development in English speech something to be lauded rather than deprecated? Isn't this one of the great strengths of the language? I suggest that those who feel like complaining should merely observe and leave it at that. Their complaints won't make a ha'p'orth of difference anyway.

Yours faithfully,
ALEXANDER FRANKLIN,
20 Priory Street,
Lewes,
East Sussex.
August 26.

Space at the Bar

From Mr Peter Reeves

Sir, This centre is conducting a survey of the structure of the legal profession in England and Wales and its effect upon the service given to the public. There is ample evidence available to support the Solicitor General's assertion "that the consumer of legal services is not getting a fair deal". Whether this is due merely to a shortage of chambers is, as your correspondent, Mr Vaughan illustrates (August 26), an open question.

The experience of some solicitors reveals a pattern common to the country as a whole. Barristers are frequently unable to fulfill their obligations because of pressure of work. Briefs are, at the last moment, passed to inexperienced counsel who are not given adequate time to master them. In some areas solicitors are permitted to undertake work usually reserved for the Bar because no local chambers exist. Yet, despite this situation, an experienced member of the Bar has been refused permission to establish chambers in an urban area where a definite need for his services exists.

It does appear that the supply of barristers is being manipulated. A reason advanced for this state of affairs is the desire of the Bar's governing body to preserve the highly centralized nature of the profession and, ultimately, its independence. If the maintenance of this independence deprives the public of the services of many young qualified lawyers then the whole structure of the profession can be called into question.

Yours faithfully,
PETER REEVES,
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209 Woodstock Road,
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August 26.

LETTERS TO THE EDITOR

Prisoner control units

From Mr Martin Wright

Sir, The United Nations Congress on the Prevention of Crime and the Treatment of Offenders opens in Geneva on September 1. Those of us attending from England will feel shame and embarrassment about the prisoner control units which have recently been introduced into our penal system, and which in our view contravene elementary standards of humanity and justice. Men are sent into these units without being told why, and without first being given an opportunity to present reasons against the decision.

The regime consists of solitary confinement being imposed until the men are judged by the prison authorities to have behaved for three continuous months in a "quiet, civil and cooperative" way. When that criterion is satisfied, they remain in the unit for a further three months, and are allowed a minimum of contact with other prisoners; but any lapse of good behaviour can put them back into solitary confinement, from which they can reemerge only by evidencing three continuous months of compliant behaviour.

It is our view that the attempt to subdue prisoners by solitary confinement in this way is not only inhumane, but misconceived; and that it will be as unsuccessful as have been past attempts to subdue them by corporal punishment, or by the deprivation of adequate food (both methods which the prison department has now abandoned). Behavioural problems in prisons cannot be solved by subjecting individual men to coercive treatment. Such problems have to be looked at in context, and it is here that the Home Office should be directing its attention, especially by looking at the way prisons are run, and by improving it, so that grievances are prevented from building up until tensions reach explosion point.

We hope that the Home Secretary will now recognize this, and unequivocally withdraw his backing from the deplorable and retrograde control unit system, before it becomes hallowed by time.

Yours faithfully,
MARTIN WRIGHT, Director,
Howard League for Penal Reform,
125 Kennington Park Road, SE11.
August 27.

Learning to cooperate

From Sir Roger Falk

Sir, I have waited a few weeks since leaving an eight-year stint as Chairman of a statutory body concerned with the encouragement of cooperation—the Central Council for Agricultural and Horticultural Cooperation—before asking your indulgence in letting me express in your columns a very brief distillation of what those eight years taught me in relation, dare I say it, to the massive problems of our times.

The critical word is "cooperation". I am not seeking to claim, in the particular context in which the council is working, any spectacular success. I am much more anxious, drawing from my experience over those eight years, to make a few particular points against a wider canvas.

They are as follows: it is only when people are prepared to sacrifice something of their personal ambitions and relax their prejudices in the name of the development of the greater good for a greater number that progress rather than regression, in almost all human activities where people have to work together, can be achieved. Cooperation is no woolly, ideological concept: it does not mean, as the word might be thought to imply, the muting of individual initiative, innovation and leadership.

In fact—and there is possibly a certain paradox here—the most effective cooperative activities are those which are inspired by one or two dedicated, large-minded, articulate people who, in their turn, are prepared to give up some of their own more self-centred aspirations and use their talents towards leading others in a cooperative spirit. My experience also has shown that this apparent sacrifice often turns out to be enlightened self interest.

And it is this leadership aspect that I find most troubling about Britain today. We seem so short of it. Tired, over-worked politicians; cynical, dispirited businessmen; wary, insecure workers; insulated defensive civil servants; hardly a promising mix from which leadership can hope to emerge.

To plagiarize Belloc: "cooperation is about chaps" and until the "chaps" realize that working together at no surrender of personal conviction but in the belief that you only get by giving, the dark tunnel ahead looks very long and very dark.

Yours, etc.
ROGER FALK,
14-20 Headfort Place, SW1.
August 26.

1942 Timor evacuation

From Mr D. K. Broadhurst

Sir, The evacuation of Portuguese refugees from Portuguese Timor recalls a similar move in 1942. At that time, Japanese forces had entered the territory and, although harassed by Australian Independent Companies, were extending their control. Many Portuguese and Timorese had bravely and openly supported the Australians and my own special unit and were targets for reprisal. Futhermore, reports had reached me of a treacherous massacre of Portuguese at the small town of Aileu. In answer to that situation, on a mid-November night, a corvette stole into the south coast and we were able to ship some of them to Australia.

We maintained ourselves for a few more months only before having to be withdrawn, but we were steadfastly sustained throughout by Portuguese Colonial Service officers and hardy Timorese hillmen.

Yours faithfully,
D. K. BROADHURST,
Penn House,
Coldwaltham,
Pulborough,
Sussex.
August 27.

Cigarette smoking and lung cancer

From Professor Sir Richard Doll, FRS, and Mr Richard Peto

Sir, The prominence that has been given to Professor Burch's views about the relationship between cigarette smoking and lung cancer may suggest that they have not yet received due attention, as may his assertion that they have not been challenged on various occasions. Being ignored, however, is a different thing from being unanswerable, and Professor Burch is confusing the two. His recent communications appear, from your abstract of them (August 18) and his recent letter (August 27), to contain no facts and no ideas that have not already been examined and found wanting, but their prominence requires some reply.

Cigarette smoke is mutagenic to bacteria and carcinogenic for experimental animals. People who regularly apply this laboratory carcinogen to their lungs have a far higher risk of lung cancer than those who do not. This association is so strong that lung cancer is the commonest cancer of all among regular cigarette smokers, while it is a very rare disease indeed among lifelong non-smokers. The extra risk among regular smokers is proportional to the amount they smoke. The obvious interpretation is that the cigarette smoke has caused most of these lung cancers.

Burch, however, prefers to suppose that this is not the case, and that the observed association exists merely because some people have a genetic constitution which makes them much more likely to get lung cancer and which gives them such an overwhelming compulsion to smoke that almost none of them can resist it. The association between cigarette smoking and lung cancer is the strongest association between exposure and cancer yet discovered in the general population, and Professor Burch asks us to dismiss the fact that it is an association between a carcinogen and cancer of the site at which this is regularly applied as coincidence. What is the evidence?

(1) Groups such as Seventh-day Adventists or Mormons whose religion prevents them from smoking should, under the "constitutional hypothesis", have as much lung cancer as the general population, while in fact lung cancer is as rare among them as among other non-smokers.

(2) It is a medical commonplace for cancer, including lung cancer, to be caused by exposure to various noxious agents. Industrial exposure, which is largely not self-selected, provides the clearest examples of this, and the lung cancers induced by radon, asbestos, coal tar fumes, dust from nickel and chrome ores, and mustard gas, appear identical with those associated with cigarette smoking. In this repect, it may be noted that a constitutional hypothesis was proposed to account for the high incidence of lung cancer among miners exposed to radiation from certain ores 50 years ago and held up the introduction of preventive measures until after 1945.

(3) Under the constitutional hypothesis, one would expect the increase in recorded mortality from lung cancer that has taken place this century to be no more than could be accounted for by improvements in diagnosis, while in fact the recorded increase has been gross and without parallel among other internal cancers. Such an increase would, however, be expected if cigarette smoke caused lung cancer and Professor Burch is in a very small minority in believing it to be wholly spurious. Likewise, under the constitutional hypothesis one would expect no benefit to have accrued to doctors because of their tendency to stop smoking since 1950, while this is not, on average, the case. If Burch concentrates his attention on groups where such small numbers of lung cancers are expected that random fluctuations become appreciable, here or in the Swedish twin studies, he can point to apparent paradoxes, but in both cases examination of the published data will show nothing that begins to contradict the causal connexion between smoking and lung cancer.

(4) In all the common cancers that men suffer from, the chances of the cancer occurring in the near future increases rapidly as the men get older. This is true of lung cancer among smokers and, at a much lower level, of lung cancer among non-smokers, but it is not true of lung cancer among ex-smokers, in whom very little change occurs with the passage of time. This is difficult to explain on the constitutional hypothesis, but can be explained very naturally if cigarette smoking causes irreversible mutations which increase the risk of the disease.

(5) The argument against the theory of induced mutations using "average ages" of lung cancer patients (August 27) is a typical red herring, but is one which Burch produces regularly. Its resolution is simple. Among, for example, 60-year-old smokers, the number who die will obviously depend on the number of 60-year-old smokers at risk as well as on how big their risk is. The average age of smokers who die from lung cancer depends on the numbers of deaths at each different age, and these in turn depend on how many smokers are at risk at each age. Their risks are determined by their smoking, but the *numbers* at risk also depend on social factors. Failure to make due allowance for differences between the typical smoking habits of men of different ages underlies all the apparent anomalies that have been cited. If we instead examine the extra risk of lung cancer at each age among regular smokers, we find that each risk is proportional to the daily amount smoked. Professor Burch should therefore cite the various studies of the ages of lung cancer patients as evidence for, rather than against, the causation of lung cancer by smoking.

Yours faithfully,
RICHARD DOLL,
RICHARD PETO,
Department of the Regius Professor of Medicine University of Oxford,
Radcliffe Infirmary,
Oxford.
August 30.

Anomalies in housing

From Mr Henry Aughton

Sir, In "Too many houses and not enough homes" (August 21), Mr Roche points out many anomalies in what he rightly calls "this Mad Hatter's world of housing finance". And yet even he, with all his experience, overlooks several fundamental features of our present institutions and in so doing unwittingly presents a quite misleading picture.

He takes two £10,000 houses, one built for sale, the other for rent. The former, he says, costs the taxpayer on average £160 a year for 25 years in tax relief. The other, if let at £6 a week, would cost £1,280 a year for 60 years in subsidies.

Take the public sector rented house first. His figures are only valid if the rent stays unchanged for 60 years; but rents never do. Virtually all our stock of public sector houses built between the wars, and most of our post 1945 houses, too, at least outside London, are no longer subsidised because successive rent increases have resulted in rents for most public sector houses which more than cover costs. Indeed they help to subsidise the latest, most expensive houses by the process known as rent pooling.

As a matter of interest, the Exchequer subsidies on local authority housing in England and Wales in 1974/75 were £528m for 4,646,000 houses, an average of £114. This includes London whose needs are exceptional: if we exclude London the figure would be between £60 and £70. Contrast this with £700m tax relief for about 5m mortgagors—an average of £140.

Then take the house built for sale. Again he assumes unchanged circumstances for 25 years, and calculates his average on that. But we know that these days a mortgage lasts only 7 or 8 years on average, as people change houses to move to another job or as they "trade up" to secure a better house. Tax relief in his example would start at £315 in the first year and would not reduce very much in the next six or seven years. Then a new owner starts the whole process again, but probably at a higher figure. And it will go on indefinitely.

An old cottage in my village changed hands two years ago for over £10,000. Tax relief costs over £300 a year. It was *built* for under £200 sixty years ago. A Mad Hatter's world indeed.

Mr Roche is perfectly correct when he calls for a proper distribution of our resources. Subsidies for the public sector certainly need consideration; so does a system of tax relief which goes mainly to help finance the sale of second hand houses without regard to the needs of the purchasers, which does not give enough encouragement to new building, and which does not give sufficient help to the first time buyer.

Yours faithfully,
HENRY AUGHTON,
Chief Executive, Dacorum District Council,
Town Hall, Hemel Hempstead,
Hertfordshire.
August 26.

Birmingham dispute

From Mrs Jill Knight, Conservative MP for Edgbaston

Sir, There has already been comment in your columns concerning the industrial dispute between members of the National Union of Journalists and the *Birmingham Post* and *Evening Mail*.

From the point of view of the ordinary citizen, the situation has extremely alarming implications. They pay and employ the officials of the Birmingham District Council; yet these officials are prevented by the city's political bosses from giving them information through the Birmingham papers.

It is not revealed whether the officials are too afraid of the local gauleiters to speak out; are willingly entering into political judgments by supporting the strikers, or whether they simply fail to understand that they have a totally non-political job which carries with it a duty to inform the people they serve. It must be one of those three.

And the example is spreading. Now the West Birmingham Community Health Council declares that it will give no more information to the Birmingham papers an anything at all apertaining to their activities, unless it be a matter of "very great importance". The judgment as to whether it comes within this category will be made by a Troika of two members of the Labour Party (one is the Chairman) and the Community's Publicity Officer—a self-confessed International Socialist. When asked by a reporter whether Community Health Councils were not above politics, this man disagreed saying that Community Health Councils definitely were "political vehicles".

These councils deal with a great deal of the day-to-day workings of the NHS. If some people within them take this view their whole future as effective agencies to help the sick must surely be in question.

Yours faithfully,
JILL KNIGHT,
House of Commons.
August 28.

Yesterday's pleasures

From the Reverend C. Christian

Sir, *Apropos* "freedom of the roads" (Mr J. B. Fell—August 28) I remember as a boy rather more than 50 years ago walking with Vita Sackville-West in the Kentish Weald. "How I look forward", she said, "to the day when all these horrid motor cars and their drivers will be up in the air. Of course", she ruminated, "the planes will be smaller and higher up and quieter—no more distracting than bumble-bees."

V. S.-W. was, alas, no prophet.

Yours faithfully,
C. CHRISTIAN,
Saint Francis School for Boys,
Hooke,
Beaminster,
Dorset.

Transport people need

From Councillor Sir Stan Yapp

Sir, Your leading article of August 23—"The Transport People Need"—raised important issues which merit wider discussion.

Movement of people and goods transportation in the current jargon is fundamental to the life of society but there is all too little understanding of its importance in the national economy. There is serious doubt therefore about the effectiveness of the way in which the national transportation budget is determined and allocated. Transportation policy cannot be static, it must be responsive to the economic and social demands of the day, demands which flow from a wide range of central government policies, demographic factors and public attitudes. Over the years there has been too much concentration on the search for ideal long term solutions and little recognition of the need for a variety of approaches to specific, here-and-now problems.

The need for a coordinated approach to the development of transportation policy has been recognized by central government and county councils are now responsible for the preparation and implementation of transportation plans for their areas. But the system does not go far enough because railways, canals, motorways and trunk roads are largely excluded and only metropolitan counties are passenger transport authorities. The devolution, decentralization and participation in transportation planning for which you plead can best be provided by elected local government either on the current county basis or by authorities more adequately covering transportation catchment areas.

It is important that transportation policies are developed with proper regard to social objectives and it is in this context that many of us support the principle of revenue support for bus and rail operation. In any event if a more appropriate balance is to be struck between the use of the private car and public transport there has to be the "carrot" of lower fares as well as the "stick" of parking restraint.

The roads programme is in disarray and we have rightly moved away from the expensive and environmentally destructive urban motorway approach but we should not overlook the extent to which the movement of people and goods depends on the road system. In urban areas we need to develop ways of making the best use of existing roads and in rural areas we should not rule out the need for high standard inter-urban roads on new alignments.

You conclude that people want transport—but no matter how coordinated the planning process and effective the public consultation, improved public transport, freight routes and road improvements cannot be produced without cost in terms of money, dislocation and inconvenience. We have not only to will the end but the means.

Yours faithfully,
STAN YAPP, Leader, West Midlands County Council,
County Hall,
1 Lancaster Circus,
Queensway,
Birmingham.

Political advertising

From Mr Michael Ivens

Sir, Your comments today on the Independent Broadcasting Authority's doubts on whether the Government's anti-inflation advertising is permissible for television raises the whole question of the lack of logic of present arrangements. Over the years Aims for Freedom and Enterprise have tried to advertise on television and commercial radio and has been refused. The grounds have been:

(a) That no political advertising is acceptable, and
(b) That non-political advertising is unacceptable from a body termed political.

When we have inquired as to what "political" means, we have been told by the IBA that it concerns comments on matters affecting government. Alternatively, we have been told that it concerns advertising deemed by some people as controversial (which would clearly preclude army recruitment advertising on the grounds of offence to pacifists). I hope I am doing the IBA justice.

If the IBA is logical, quite clearly they should refuse any Government advertising because Government advertising is about "government". The answer is that the rules should be changed so that television can adopt the same policies as the press on these matters and accept "political" advertising. Alternatively, they should refuse all Government advertising as well as advertising from organizations termed political. It is very dangerous indeed to allow special privileges for a Government who have unlimited supplies of money.

May I say finally that Aims are very much in favour of an anti-inflation advertising programme, even though we do not particularly agree with the policies of the Government. After all, we were the first organization to suggest setting up an anti-inflation publicity unit—though we emphasized that the unit should include representatives of industry and the trade unions.

Yours faithfully,
MICHAEL IVENS, Director,
Aims for Freedom and Enterprise,
5 Plough Place,
Fetter Lane, EC4.
August 29.

Fraternity

From Mr Robert Speaight

Sir, A few days ago my stepdaughter was driving home to Calais when her car broke down at Hazebrouck with no prospect of immediate repair. The garage mechanic drove her the 50 miles to Calais free of charge because he had "fought with the English". I think this deserves a place in the story.

Yours faithfully,
ROBERT SPEAIGHT,
Campion House,
Benenden.

COURT CIRCULAR

BALMORAL CASTLE
August 31: Divine Service was held in Crathie Parish Church this morning. The Reverend William Rogan, DD, preached the sermon.

CLARENCE HOUSE
August 30: The Lady Jean Rankin has succeeded the Hon Mrs John Mulholland as Lady-in-Waiting to Queen Elizabeth The Queen Mother.

Princess Anne will open the new sports centre in Bath, new buildings at Westonbirt School, Tetbury, and the Roses Theatre at Tewkesbury on October 30.

The Duke of Kent will attend the nomination dinner of the Gun Makers' Company at Carpenters' Hall on November 6.

A service of thanksgiving for the life of Sir Peter Daubeny will be held at St Michael's Church, Chester Square, SW1, on Tuesday, September 2, at noon.

Marriages

Mr R. J. K. Muir and Lady Linda Cole
The marriage took place in Nairobi, on August 29 between Mr Richard James Kay Muir, eldest son of Sir John and Lady Muir, of Blair Drummond, Perthshire, and Lady Linda Mary Cole, daughter of the Earl of Enniskillen and Mrs Sonia Cole.

Mr J. W. Roskill and Miss C. E. Garnett
The marriage took place on Saturday at St Peter's, Quernmore, Lancashire, of Mr Julian Wentworth Roskill, only son of Lord Justice and Lady Roskill, of Heatherfield, Newtown, Newbury, and New Court, Temple, EC4, and Miss Catherine Elizabeth Garnett, second daughter of Major and Mrs W. F. Garnett, of Quernmore Park, Lancaster. The Rev L. J. Hakes officiated.
The bride, who was given in marriage by her father, wore a gown of ivory silk and a veil of Honiton lace. She carried a bouquet of cream roses. Harriet Johnson attended her and Mr Jonathan Hamilton was best man.
A reception was held at the home of the bride and the honeymoon will be spent abroad.

Mr J. R. F. Bryers and Miss E. Hutchison
The marriage took place on Saturday at St Andrew's, Melton, Suffolk, of Mr John Bryers, son of Brigadier R. H. C. Bryers and the late Mrs P. Bryers and stepson of Mrs R. H. C. Bryers, of Thorndon Old Rectory, Eye, Suffolk, and Miss Elspeth Hutchison, elder daughter of Sir Peter and Lady Hutchison, of Melton Mead, Woodbridge, Suffolk. Canon L. R. Manthorp officiated, assisted by the Rev Charles Cowley.
The bride, who was given in marriage by her father, was attended by Nicholas Saggers, Henrietta Duckett, Caroline and Annabelle Leask and Miss Alison Hutchison. Mr Mick O'Connor was best man.
A reception was held at the home of the bride and the honeymoon will be spent in Ireland.

Surgeon Lieutenant-Commander C. W. Evans, RN, and Miss C. M. Cameron
The marriage took place on Saturday in the remaining aisle of the old cathedral at Fortrose of Surgeon Lieutenant-Commander Charles Evans, RN, only son of Dr and Mrs W. E. F. Evans, of Godshill Wood, Fordingbridge, Hampshire, and Miss Christina Marion Cameron, elder daughter of Major and Mrs A. J. Cameron, of Allangrange, Munlochy, Ross-shire. The Bishop of Moray, Ross and Caithness and the Dean took part in the service.
The bride, who was given in marriage by her father, wore a family gown of Brussels lace and her Brussels lace veil was held in place by a diamond tiara. Michael Turner, Jonathan Drewe, William Capel Cure, Miss Bridie Cameron, Lady Kristie Graham, Fiona Whitehouse, Henrietta Smyly and Kate Edwards attended her. Mr Adrian Robinson was best man.
A reception was held at the home of the bride.

Mr J. H. Richardson and Miss S. S. Cripps
The marriage took place on Saturday at the Church of St Nicolas, Cranleigh, of Mr Hugo Richardson, son of Mr and Mrs John Richardson, of Cliffe, Corbridge, Northumberland, and Miss Sophie Cripps, daughter of Mr and Mrs Michael Cripps, of Barn Hill, Ewhurst, Surrey. The Rev J. Bensted officiated.
The bride, who was given away by her father, was attended by Virginia Graham, Harriet Brockbank, Caroline Pawson, Clare Birch Reynardson, Susan Richardson and Louisa Cripps. Mr John Robertson was best man.
A reception was held at the home of the bride and the honeymoon will be spent abroad.

Forthcoming marriages

Captain the Hon Richard Bethell and Miss C. M. Palmer
The engagement is announced between Richard, elder son of The Lord and Lady Westbury, of Barton Cottage, Malton, Yorkshire, and Caroline, daughter of Mr Richard and the Hon Mrs Palmer, of Queen Anne's Mead, Swallowfield, Berkshire.

Mr R. W. MacLeod and Miss I. J. W. Harmsworth
The engagement is announced between Ruairidh William MacLeod, BSc, Hons, only son of Major and Mrs Donald MacLeod, 12 Marine Park North, Kessock, Inverness, and Islay Jane Winifred Harmsworth, MA, youngest daughter of Mr Michael and Lady Jessamine Harmsworth, Thrumster House, Caithness.

Mr J. A. F. Buxton and Miss M. E. Russell
The engagement is announced between James, elder son of Mrs R. J. Buxton, of Galhampton Manor, Yeovil, Somerset, and the late Mr R. J. Buxton, and Margaret, daughter of Admiral the Hon Sir Guy and Lady Russell, of Cleve Cottage, Wisborough Green, Sussex.

Mr B. M. Sandelson and Miss P. F. Bagrit
The engagement is announced between Basil Mayer Sandelson, JP, of Flat 80, 15 Portman Square, London, W1, and Patricia Fleur, younger daughter of Sir Leon and Lady Bagrit, of Upper Terrace House, London, NW3.

Mr I. A. J. Bidgood and Miss R. A. Dunlop
The engagement is announced between Irwin Andrew Jeremy Bidgood, at present of Okigwe, Nigeria, only son of Mr and Mrs W. A. Bidgood, of High Dunnas, Brompton, Yorkshire, and Rosalie Anne, eldest daughter of Mr and Mrs G. T. Dunlop, of Torwood House, Rhu, Dunbartonshire.

Captain C. F. Cullen, RCT, and Miss A. Shakespeare
The engagement is announced between Christopher, eldest son of Mr and Mrs Christopher Edward Cullen, of Fivelands, Burton-on-Trent, Staffordshire, and Ann, only daughter of Mr and Mrs Peter John Shakespeare, of Billing Road, Northampton.

Mr H. C. R. John and Miss D. E. Goodwin
The engagement is announced between Hugh Christopher Rhys, son of Professor and Mrs A. H. John, of Great Missenden, Buckinghamshire, and Deidre Evelyn, daughter of Mr and Mrs C. J. Goodwin, of Weedon, Buckinghamshire.

Mr G. E. A. Norman and Miss K. Willcoxson
The engagement is announced between Geoffrey, elder son of Mr and Mrs G. H. G. Norman, of London, W14, and Karen, younger daughter of Mr and Mrs R. R. Willcoxson, of London, SW9.

Mr C. Rankin and Miss P. Benson
The engagement is announced between Christopher, younger son of Mrs Rankin and the late Brigadier W. Rankin, of Oegrove Farm, Frampton-on-Severn, Gloucestershire, and Penelope, only daughter of Mr and Mrs Nicholas Benson, of Aycote House, Rendcomb, Cirencester.

Mr C. G. N. Ryder and Mrs G. W. Schlesinger
The engagement is announced between Christopher Ryder, second son of the late Mr C. F. Ryder, OBE, and of Mrs C. F. Ryder, of St George's Court, SW7, and Gabriel Schlesinger, elder daughter of the late Mrs Christine Ashcroft, of Brighton and of Mr Edward Ashcroft.

Birthdays today

Sir Robert Barlow, 84; Sir Harry Butterfield, 77; Brigadier J. G. Carr, 64; Sir Errol dos Santos, 85; Sir Dennis Proctor, 70; Lord Riverdale, 74; the Hon Kenneth Thomson, 52.

Today's engagements

English Sculpture 1600-1850, Victoria and Albert Museum, South Kensington, 10-6.

Exhibition of stamps and postal history of Belgium and the Saar, Gibbons Gallery, 399 Strand, 10.

Exhibition: Evolution of the baby doll, Pollock's Toy Museum, 1 Scala Street, 10-5.

Second World War aircraft exhibition, Skyfame Aircraft Museum, Staverton airport, Cheltenham, 11-5.

The Queen's Life Guard mounting ceremony, Horse Guards, Whitehall, 11.

£50,000 winner

The weekly £50,000 Premium Savings Bond prize, announced on Saturday, was won by number 8YK 365990. The winner lives overseas.
The 25 £1,000 prizewinners are:

2CP 123320	4OL 526518	8WB 452127
5DB 631008	2RF [illegible]	1XZ 910916
4FB 118581	SN 611802	8XP 144205
5JS 344172	SS [illegible]	10XR 624573
6LT 135274	5K [illegible]	10YN [illegible]
6LZ 793449	9SP [illegible]	10YS 466605
1PZ 902271	7TW 614895	8ZK [illegible]
9PL 225707	10VB 844104	11ZW [illegible]
		13ZB 761092

The Duke and Duchess of Gloucester will visit Glasgow on October 11.

Jewish attitude to Israel challenged

By Clifford Longley
Religious Affairs Correspondent

A plea for the reexamination of Jewish identity in the modern world, which led to considerable controversy when it was published in France earlier this year, has now appeared in English. It challenges the commonly accepted Jewish attitude to Israel, but not from the familiar starting point of sympathy for the Palestinians' cause. That attitude is seen as a threat to Jewishness itself.

The argument of M Richard Marienstras, a well-known French Jewish intellectual, has been reproduced in *European Judaism*, which is published in London. It occupies a large proportion of the latest edition, and the editor, Mr Anthony Rudolf, calls in an editorial for a "genuine debate" of M Marienstras's analysis.

He points out that any questioning of the prevailing unequivocal support for Israel is highly unpopular in the Jewish community, and is liable to be labelled "self-hatred" when it comes from a Jewish source. Echoing M Marienstras, Mr Rudolf declares: "*Mindless patriotism is a menace to our survival. The diaspora Jew has as much in common with a Basque or a gipsy as he has with, on the one hand, a Christian, or on the other hand, with Israeli Jews....*"

M Marienstras states that the survival of the Jewish people was due to the success of the 2,000-year-old diaspora. Their dispersal throughout Europe and the world guaranteed that they would retain their separateness, for each purely local movement towards assimilation or elimination was counterbalanced by the different circumstances of Jewish communities elsewhere.

The Jewish sense of identity, whether experienced tenuously or emphatically, thus kept its common thread through the history of the diaspora against the claims of the all-embracing nation state. The Jewish sense of being "a nation within a nation" became a permanent challenge to the assumptions of each national majority, whether Christian, Communist or liberal capitalism.

The Jews were automatically allied with all movements and ethnic minority groups who suffered from the pressure of the nation state in which they live. For the same reason members of the Jewish community were naturally in a position to keep at least one creative foot outside the prevailing, all-suffocating culture of the majority.

The challenge to Jewish identity came, M Marienstras argues, from the implicit or explicit denial of the right of cultural nonconformity. Though less harsh and more subtle, that denial was and is as present in the West—in the three great Jewish communities in Brita[in,] France and the United States—[a]s in, say, Soviet Russia, [w]here it is overt and sometime[s] violent.

"Inde[pe]ndent of ideology or regime", he writes, "forced assimila[tion] is one of the fundamental [...]s of Jewish life over the last [fe]w decades, whether it be throu[gh] institutional and social 'soft' [vi]olence, physical liquidation, i[deo]logical blackmail, or police p[res]sure. The phenomenon is cons[tant]: the means used to provoke [it] even in the most unlikely c[ircu]mstances, are varied; and it [is] justified by the most apparen[tly] irreconcilable ideologies".

The J[ewi]sh community's ability to resis[t th]ose pressures has been undermi[ned], he believes, by acceptance o[f Z]ionism and by support for the [ne]w nation state of Israel. For this [it h]as conceded the rightness of [the] nation state's principle, and has [tu]rned the Jews of the diaspora [i]n no more than a race in exile, [no] longer "a nation within a na[tio]n" with the right to exist as s[uc]h.

"One [ca]n see why, for 20 years, the spac[e] of a generation, the Jewish c[om]munities have been incapable [of] redefining themselves, and why Zionism to this day, although [i]ts militant force is weakened, [r]etains a certain influence o[ver] Jews of the older generation.

"And [w]e can understand why most Jews cannot attribute [...] catastrophe to the fundamen[tal] imperialist and the ethn[ic] character of nation states. R[...] in the nation state as the excl[usive] form of normality is literally [...] that is left to them if they are [...] to despair for the future of [their] identity.

"For Zionism, in the imme[diate] present, is the only Jewish poli[tical] option which has even [...] succeeded. Zionist propaganda [ex]ploits this situation, and seeks [to] discredit all the other Je[wish] options which have appeared [in] the last hundred years. It de[nies] the diaspora any possibility of [sur]vival: it affirms, taking its p[lace] in the ranks of the nation st[ates,] that one must have one's [own] state, or perish."

The final logic of this posi[tion] is to remove to Israel or to ac[cept] assimilation into the culture [and] identity of the nation state. [The] ancient Jewish claim to the r[ight] to live wherever they wanted [...] and the right to be different [...] to be abandoned. The diasp[ora] becomes an abnormality to be solved by return "home".

M Marienstras asserts, aga[inst] this, the ultimate value of [the] diaspora both to the Jews and [to] mankind. The Jewish nation [in] Israel has then to be seen not [as] the focus and destiny of Jew[ish] history, but as one more nat[ion] state itself, with all that t[hat] entails.

Large collections of ancient coins on the market

By Our Coins Correspondent

The coin saleroom shows every indication of continued buoyancy. Serious collectors are still numerous, and as an investment coins have been one of the best performers.

For the present season Baldwins are cataloguing three large collections, one of Roman republican silver and another a cabinet of Norwegian pieces. In the background is an even larger collection of Roman imperial coins.

Spinks are cataloguing the first section of the largest collection of ancient British coins in private hands. They belonged to the late Commander Mack, RN, who started his coin collection as a schoolboy in 1908 and was still buying until his death in 1974. The collection is of such importance that it will take several sales spread over five years to disperse it. The section of Anglo-Saxon and Norman coins is second only to that of the ancient British. Commander Mack also wrote a standard work on the subject, *The Coinage of Ancient Britain*.

Of great numismatic and archaeological importance, ancient British coins have their origin in the gold staters of *Philip II of Macedon*, fourth century BC. Copied and recopied, the head of Philip and the chariot on the reverse gradually lost all resemblance to the prototype. Early pieces reached Britain from Gaul by successive waves of immigrants retreating before the power of the Romans.

Local types were struck by the nine ancient British tribes, specimens being found south of a line from the Humber to the Exe. Though find spots are many, as a type the coins are rare. High prices can be expected, with keen competition among museums and collectors.

The season's first sale at Glendinings on Wednesday contains a gold £3 piece of Charles I from the Oxford mint. It is the largest gold piece struck for circulation in Britain and is made from metal given to the king's cause, or "borrowed" by him from the university.

Possible uses of new lie detector cause concern

From Pe[ar]ce Wright
Science [Ed]itor
Guildford

A new [ty]pe of lie-detector test was dem[on]strated at the annual meeting o[f t]he British Association for the [Adv]ancement of Science at Guildfo[rd] yesterday. It is based on a new [an]d controversial method of voice [ana]lysis.

The mac[hi]ne, called the Dektor Psycholog[ical] Stress Evaluator, was design[ed] in the United States two years [a]go. The agent for the manufactur[ers] said it had been used for p[riv]ate security and staff screening [in] Britain but declined to say how many times.

Anxiety [a]bout lie detectors began in th[e] 1920s, when the conventional [ty]pe was devised using electrodes [st]rapped to the skin. Tiny chan[ge]s in the electrical activity of [t]he skin were used to measure st[re]ss.

The new machine, which is op[er]ated from a microphone, extra[cts] from the patterns of speech a p[ar]ticular group of frequencies t[hat] are connected with stress. Dr [...] Smith, senior clinical psycholo[gist] at Powick Hospital, Worcest[er,] said he was worried because ve[ry] little research had been done i[nto] the dangers of that method [of] screening prospective employe[es,] sometimes secretly, and looki[ng] for thieves and union activists.

The machine is available [in] Britain for about £2,000, and [is] the type being considered f[or] security work at airports a[nd] similar installations. An individ[ual] could be asked questions wh[ile] checking in at a ticket desk. A[t a] later checkpoint, those showing [a] level of stress indicating that th[ey] were possibly telling lies wou[ld] be weeded out.

Latest wills

Residue left to National Trust

The Hon Mrs Dorothy Nesta Trollope-Bellew, of Uffington, Lincolnshire, left £741,845 net. After personal bequests, she left the residue to the National Trust.

Miss Margaret Joan Tite, of Preston, Lancashire, left £399,490 net. After personal and charitable bequests, she left the residue equally between the Church Missionary Society and the United Society for the Propagation of the Gospel.

Mrs Rosina Keen, of Bournemouth, left £22,414 net. After personal bequests, she left the residue equally between a Baptist and a Methodist church in Bournemouth.

Other estates include (net, before duty paid; duty on some estates not disclosed):

Allen, Mr Thomas, of Hampton-in-Arden, West Midlands £201,470
Birch, Mr Frederick Peter, of Ashbourne, Derbyshire (duty paid, £52,325) £158,449
Smith, Mr Sidney Herbert, of Churcham, Gloucestershire £116,658
Woods, Sir Wilfrid John Wentworth, of Burley, Hampshire, former Commander-in-Chief, Portsmouth and Allied C-in-C Channel £33,083

American space award

Dr C. S. Draper, aged 73, President of the C. S. Draper Laboratory, Massachusetts Institute of Technology, has been awarded the Institution of Civil Engineers' 1974 Kelvin Gold Medal for his development of inertial navigation systems in space vehicles.

25 years ago

From The Times of Thursday August 31, 1950

To secure an immediate strengthening of the armed forces, the Government propose to ask Parliament to increase the period of national service from 18 months to two years for men aged between 18 and 26.

Substantial increases in service pay—up to about 75 per cent for men in lower-paid ranks—are to be made from tomorrow.

The Prime Minister, in a broadcast last night, spoke of the serious situation which had made such measures necessary and appealed for recruits to come forward.

The estimated cost of the pay increases to the three services is £68,500,000 a year.

Referendum on county merger

The Herefordshire Survival Campaign has invited Mr Derek Senior, a planner, to investigate all aspects of local government in Hereford and Worcester, and to suggest alternatives to the merger between the two counties which took place in the reorganization.

The campaign will then make recommendations, which will be put to the people of the county in a referendum next spring. The results will be sent to Parliament.

University news

Glasgow
The department of natural philosophy has received a £141,447 maintenance grant for one year from the Science Research Council for electron linear accelerator. Professor R. M. S. Smellie, department of biochemistry, has been awarded £24,511 by the Cancer Research Campaign for cancer research.

Appointments in the Forces

Royal Navy
CAPTAINS: P. I. Sheehan, CENTURION addl in comm for SOWC at RN War Coll, Greenwich, Sept 29, 1975, to Feb 18, 1976. S. R. Hack, retd list, Oct 3?.
COMMANDERS: B. C. Foyston, DRYAD as Exec Offr, Dec 8; J. B. D. Read, DRYAD addl, Jan 12, 1976 for MTC 21; B. J. Clarke, Staff of CINCFLEET, Nov 24; H. D. Y. Faulkner, TEMERAIRE as DDNPTS, Jan 5, 1976; T. E. Brinsley, Staff of FOSM, Jan 16, 1976; P. B. S. Gill, DAEDALUS as Sy Offr, Jan 12, 1976; V. G. Sirett, HERON(P) JWE RAF Old Sarum for duty on Staff, Jan 30, 1976; G. B. Thorman, retd list, Oct 28.

Queen Alexandra's Royal Naval Nursing Service
PRINCIPAL MATRON: Miss P. Gould, CENTURION for Naval Hosp as Principal Matron (Naval Hospitals), Nov 21.
MATRONS: Miss H. M. Scott, Promtd Matron in substantive rank and reappld, Aug 8; Miss M. E. Collins, MOD as Personnel Offr for Naval Nurses and Deputy to the Matron-in-Chief, Nov 10; Miss S. R. P. Barton, RNH Haslar as Matron, Nov 24.

The Army
COLONELS: A. J. Jackson appld Col GS(PR), HQ BAOR, Sept 3; A. A. Julius appld Col E, HQ BAOR, Sept 5; G. G. Strong, appld Chairman of DAT working party to review physical and recreational training, Sept 1; N. R. Sturt, appld Col E Engr 2(A) MOD D Engr Svcs, Sept 5.
LIEUTENANT-COLONELS: I. R. Cartwright, HRF, appld GSO 1, MOD, Sept 5; J. N. S. Dunham, RE, appld GSO 1, RMCS Shrivenham, Sept 5; B. D. Gotts, REME, appld AQMG E Man 5b, MOD, Sept 5; L. J. Kessell, RADC appld Cons Dent Surgeon BMH Rinteln?, Sept 4; R. R. Taylor, RADC, appld CO No 11 Dental Gp RADC Cyprus, Sept 5; P. J. Travers, RADC, appld Dent Offr No 6 Dental Gp RADC, Sept 2.

Royal Air Force
AIR COMMODORE (WITH ACTING RANK OF AIR VICE-MARSHAL): G. C. Lamb as Chief of Staff, No 18 Group.
AIR COMMODORE: P. B. Ring to MOD as Director of Public Relations (RAF).
GROUP CAPTAINS (WITH ACTING RANK OF AIR COMMODORE): R. J. Carson as Defence Adviser, British Defence Liaison Staff, Ottawa; H. A. Merriman as Commandant, Aeroplane and Armament Experimental Establishment; D. G. M. Hills to MOD as Deputy Director of Medical Personnel and Training (RAF).
GROUP CAPTAINS: J. J. Burke to UKADET as DD Eng Sept 1; G. Innes to HQ P&SS (UK) as OC August 26; J. Meadows to MOD(H) as DDSM2(RAF) July 30; R. N. Whittaker to MOD(H) as DDSM1(RAF) July 30.
WING COMMANDERS WITH ACTING RANK OF GROUP CAPTAIN: E. Kinder to RAF PMC as DDPM2(RAF) Aug 26; M. J. Allisstone to MOD Dept of AMSO as DDGSP10(RAF) Sept 1; A. M. Mackintosh to 67 STC as CW AD, 0 Sept 1; D. M. Edwards to MOD(H) as DDSM3(RAF) Aug 26; D. Darling to HQ STC as DC Elect Eng(Air) Sept 5.
WING COMMANDERS: A. E. Cornell to HQ TC as Ed To 2 Aug 26; P. C. Clark to P&SS(NR) Newton as OC Aug 26; L. W. H. Rowe to West Byfleet as Wg Cdr Air, Aug 26; E. W. Bunkhall to HQ Training Command as Org 2, Sept 5; R. B. Myles to Upavon as OC ATEU, Sept 5; R. G. Robertson to Brize Norton as OC Ops, Sept 5; J. P. R. Browne to Dept of DT(G) RAF MOD Aug 26; A. Burdess to Dept of D Sigs Air MOD Aug 26; J. Shearer to Dept of DESP2(RAF) MOD Aug 26; P. C. Solce to Dept of DWSE(RAF) MOD Aug 26; R. W. R. Young to Dept of DA Army MOD(PE) Aug 26; D. G. J. Breadner to 4 FTS Valley as OC Eng Wg Aug 26; D. C. Collins to 16 MU Stafford as OC Support Wg Aug 26; D. H. Hughes to St Athans as Sen Trg Officer Aug 26; C. N. Musker as Member Advisory Team RSAF Aug 29; N. M. Ridley to HQ RAFG as Wg Cdr Supply Aug 26.
SQUADRON LEADERS (WITH ACTING RANK OF WING COMMANDER): P. A. Daniels to Dept of D Air Eng(RAF) MOD Aug 26; R. H. Elwis to HQ STC as MPC Aug 26; G. Gleave to HQ STC as Elec Eng (Trans) Aug 22; K. J. McPhee to DCN Medmenham as Ops 2(Eng) Aug 26; D. Watson to Dept of DESP2(RAF) MOD Aug 26; M. J. Harden to Linton-on-Ouse as OC Ops, Sept 5; R. B. Gilvary to 617 Squadron as OC Sept 5; D. H. Barnes to MOD(AFD) as OR 37, Sept 5.
CHAPLAINS (WING COMMANDERS): G. M. McKenzie to RAF Marham as CSFC Chaplain, Sept 1; J. R. Ingram to RAF Swinderby as CSFC Chaplain, Sept 1.
SQUADRON LEADER (WITH ACTING RANK OF WING COMMANDER): T. Cunningham to RAF Cranwell as RC Chaplain.

Community arts project gets £10,000 grant

By Our Arts Reporter

The Greater London Arts Association has awarded £10,000 from its Thames Television fund to the Tower Hamlets Arts Project, in which local arts organizations in the borough will combine to launch a coordinated arts community project.

The money will be divided between a number of professional groups working in the borough to establish and develop workshops in drama, photography, painting, film, music, publishing and writing in which the whole community can take part.

The Duchess of Gloucester will open the extensions of The Dogs' Home, Battersea, on October 16.

Sun brings farmers no cheer

Agriculture
Hugh Clayton

The latest crop reports sent to *The Times* by farmers throughout Britain are full of low cereal yields, small potato tubers and scorched grass. The estimates support farmers' leaders who have predicted a sharp cut in home food production this year.

A farmer of 65 in the part of Oxfordshire that used to be in Berkshire writes: "Farming here all my life, I have never seen it so dry so long." From Essex comes: "It looks like my leanest year since I started farming in 1947", and from Dorset: "Near failure of kale and other fodder crops except maize is causing concern in view of the grass shortage."

But the reports are not uniformly bleak. While some respondents in the south have put exclamation marks against grass instead of figures those in the west of England, Northumberland, Cumbria and much of Scotland, especially the Borders, report excellent grass crops.

Excellent recovery after rain was helped in Cornwall, Devon, Hereford and Worcester, Angus and Ayr. One respondent in Cumbria has finished a third cut of silage, and another writes: "Second cut of silage in full swing plus some second-cut hay to make up for a light first crop." A third in the same county says: "Grassland is the best it has been for two years, with prodigious growth over the last two weeks."

But in many areas, often close to those which have been helped by rain, there is negligible grass. Encouraging reports from Hereford and Worcester are balanced by gloomy ones. "Pastures are dried up and dormant", one farmer writes. "Only a few bents for the cows to pick at. It has to be supplemented with almost full winter rations." Similar reports have come from the whole of southern England except the far west, East Anglia and the Midlands.

Taken together, the reports sent to *The Times* are more pessimistic about grass than the latest weekly reports from the Ministry of Agriculture, dated August 23. That says: "Grass is still short in most of eastern England and parts of the Midlands. Elsewhere the rainfall has greened up the grass and grazing is now adequate."

Good prospects for potatoes are reported from Scotland and parts of northern England, but elsewhere a poor performance is considered almost inevitable. "Nothing bigger than a golf ball at the moment", a respondent in Hertfordshire writes. "With no measurable rain the crop looks appalling."

Small tubers are mentioned over much of Engla[n]d from Oxfordshire to North Yo[rk]shire and Norfolk. Blight is repo[rt]ed from Cumbria. A yield of tw[o] tons an acre less than last yea[r] is expected on a Cambridgeshi[re] farm, but on the border of No[r]thamptonshire and Oxfordshire [t]he crop has "improved w[ith] recent rain after a poor start". In Cornwall "rain has helped th[e] crop to bulk with very little bli[gh]t."

Sugar bee[t] is stricken with disease espec[ial]ly in the south-eastern part [of] the growing area and the mos[t] optimistic reports are from Li[nco]lnshire and Yorkshire. In St[aff]ordshire it is said to be "very [...] very poor—drying through lack [of] rain, which, if it comes will be [to]o late". In Norfolk "drough[t] conditions brought growth virtua[lly] to a standstill and virus yellows [ar]e now very much in evidence". [I]n Nottinghamshire the beet is [su]ffering from virus yellows; som[e c]rops seem to have every plant a[ffe]cted".

Winter oa[t]s have produced pleasing res[ult]s although the spring crop [is l]argely disappointing the forme[r] are said to have fought well [th]rough the dry weather in so[uth]ern England and the Midlands [an]d in Norfolk they are given [an] estimate of 100. Severe rust is [re]ported from Dumfries and Gall[ow]ay and the south of Strathclyde.

The followi[ng] wheat yields are reported: 32 [cwt] an acre in Hertfordshire and [C]ambridgeshire, 38 and 43 in Nor[tha]mptonshire, 33 in Bedfordshire, [an]d eight less than last year in th[e] south of Lincolnshire. Betwe[en] 30 and 35 cwt an acre is report[ed] for Maris Huntsman from Buc[kin]ghamshire. Many respondents [sa]y the wheat turns out to be mor[e d]isappointing than it looked in th[e] field.

"We are [on] the chalk and believe our yi[elds] will not amount to more than [...] cwt an acre for barley and 30 [cw]t for wheat", a Dorset farmer [w]rites. "Looking back over ou[r r]ecords for many years we can [fin]d no yields as low as these."

The followi[ng b]arley yields have been quoted: [o]ne ton to 25 cwt an acre aver[age] in this area"—mid-Devon; [...] cwt a common yield"—Camb[rid]geshire: "we expected 40 c[wt] and are getting about 34"—Northumberland; "average yield [...] cwt an acre"—Hertfordshire; 20 to 23 cwt an acre—Nottinghamshire; "better than expected at up to two tons an acre"—Grampian; "condition good and yield normal"—Strathclyde.

The figures this month are by far the lowest for the start of September since 1970, and well below the average of the past 10 years for each crop. The average estimate for sugar beet is even below last year's poor showing, and although some of the Scottish and Welsh figures for other crops are high, the national average is dragged down by low figures in England.

A rating of 100 represents healthy condition, full growth and freedom from injury. The table indicates (W) wheat, (B) barley, (O) oats, (P) potatoes, (S) sugar beet and (G) grass.

	W	B	O	P	S	G
Div 1						
Bedford	73	68	86	53	60	[illegible]
Cambridge	87	83	86	79	79	58
Essex	88	74	81	71	64	72
Herts	91	79	91	55	—	70
Lincoln	89	83	84	82	84	55
Humberside	94	92	91	85	84	88
Norfolk	90	86	90	69	80	65
Suffolk	89	89	85	89	81	77
Averages	88	82	87	73	76	70
Div 2						
Berkshire	92	86	91	86	—	77
Bucks	83	68	70	—	—	57
Hampshire	90	78	86	77	—	51
Kent	90	80	89	56	—	56
Leicester	87	79	83	73	83	73
Northants	89	82	86	76	83	72
Notts	86	86	84	81	84	77
Oxford	79	71	78	77	80	51
Surrey	73	73	84	92	90	74
Sussex	89	77	83	75	75	53
Warwick	84	76	81	66	64	54
Averages	86	78	83	76	80	61
Div 3						
Cornwall	87	83	81	87	—	95
Devon	87	74	71	87	85	71
Dorset	89	84	87	79	—	66
Gloucester	89	83	—	70	—	55
Hereford & Worcs	86	71	84	81	72	57
Salop	90	81	86	81	85	72
Somerset	88	79	80	82	—	55
Wiltshire	93	82	87	71	—	70
Averages	89	80	82	80	74	65
Div 4						
Cheshire	86	81	80	78	85	77
Cumbria	95	89	88	88	—	98
Derbyshire	93	83	78	80	60	95
Durham	94	88	87	84	—	91
Lancashire	90	84	80	76	88	85
Northum'land	97	91	94	90	—	91
Stafford	85	72	90	72	72	60
Yorkshire	91	89	88	85	86	86
Averages	91	86	88	81	78	77
England	89	81	84	78	77	67
Scotland	94	95	94	95	—	95
Wales	94	90	86	92	—	86
Gt Britain	89	82	85	80	77	73

The final table shows the average assessment of the principal crops at the end of September this year, compared with the previous five years, and with the average of the 10 years 1965-74.

	W	B	O	P	S	G
1970	96	83	88	90	[illegible]	[illegible]
1971	93	93	95	[illegible]	[illegible]	[illegible]
1972	90	94	94	93	[illegible]	[illegible]
1973	95	90	92	95	[illegible]	[illegible]
1974	93	90	90	93	78	[illegible]
1975	89	83	85	80	77	[illegible]
10-yr av'age	94	92	93	93	93	[illegible]

Science report

Nutrition: Overfeeding and obesity

There is now much evidence that overfeeding in infancy is associated with obesity in later life; but doctors and nutritionists still do not know whether the tendency to put on weight is chiefly genetic or whether nutrition in early life causes a permanent physiological change. The recent development of a computer-generated model of the complex factors involved in growth and development during childhood may help to provide an answer.

One of the points that has recently been emphasized by researchers is the possible alteration in the pattern of fat-cell proliferation by overfeeding during the first year after birth. Dr A. E. Dugdale, of Queensland University, and Dr P. R. Payne, of the London School of Hygiene and Tropical Medicine, analysed the pattern of growth and body-weight increases in children from birth to adolescence, with particular emphasis on the deposition of fatty tissue. They found two main periods of fat deposition: in the first year after birth and about the age of eight years.

The measures of body fat were incorporated in a computer programme developed by Dr Dugdale and Dr Payne to model the effects of calorie intake on weight gain and body composition. The model was adjusted so that, given standard nutritional requirements, it would produce a weight and body composition curve similar to that obtained from actual measurements of children's growth.

The next step was to simulate the effects of overfeeding in the first year of life. According to the model, that produced prolonged changes in body composition: that is, the proportion of fatty tissue being laid down. However, total body weight soon returned to the standard values. Dr Dugdale and Dr Payne found that with 20 per cent overfeeding in the first year, weight in that year shot up to more than a fifth greater than the standard, and the proportion of body-weight increase laid down as fat increased by 30 per cent.

After the first year they assumed a standard calorie intake for the rest of childhood. But although under this regimen the body weight soon returned to the standard, the proportion of body weight laid down as fat still remained higher than normal for the next nine years or so. That certainly suggests that overfeeding at a crucial period when fat deposition is particularly high in any case can alter the course of development over a considerable period.

For an indication of what may happen in the case of different children, some perhaps genetically disposed to obesity and some naturally thin, they introduced different ratios of lean to fat tissue deposition into their model.

To represent the "obese" individual they assumed that the standard proportion of fat to lean being laid down was increased in favour of fat deposition by a tenth. For "thin" individuals they biased it equally the other way. Running their model with those values and a standard calorie intake, they found that, although total body weight did not vary particularly from the standard, body composition was very different in the two types of child over the 10 years from birth: the obese type of child laid down fat at a rate 30 per cent higher than the standard.

Although the model devised by Dr Dugdale and Dr Payne may not exactly represent the true situation, it does provide testable paradigm for clinical observations which may provide insight into the crucial factors leading to the widespread increases in obesity in Western societies.

By Nature-Times News Service.
Source: *Nature*, August 28 (256, 725; 1975)
© Nature-Times News Service, 1975.

OBITUARY

DR G. STEWART SMITH

Development of pathology services in the west

Dr George Stewart Smith, consultant pathologist emeritus to the Exeter clinical area, died on August 24 after a brief illness. He was 72.

George Stewart Smith spent the first 47 years of his life in or very close to Manchester. A foundation scholar at Manchester Grammar School, he graduated in medicine at the University of Manchester and was awarded its Gold Medal in 1931 for his MD thesis. He became Director of Pathology Services for the Manchester municipal hospitals, and Home Office pathologist attached to the North West Forensic Science Laboratory. With this background, Mancunian wit and good humour were apart of his birthright, and his north country charm won all hearts during his subsequent span of 26 years in Devon. Foreshadowing later distinction as a medical administrator was his MA (Administration) Manchester, 1941, a qualification that gave him great pleasure and for which he had taken as his special subject the organization of a national health service.

On becoming area [...] at Exeter, he pio[neered the] development of pa[thology ser]vices in Exeter and [...] was a key figure in medical administration [for] 15 years as a member [of the] South Western Regio[nal Hospi]tal Board. His notable [contribu]tion during these [years was] recognized on his [...] when he became ch[airman of the] Exeter and Mid-Devo[n Hospital] Management Commi[ttee, which] he held until the organization of the [National] Health Service last [year].

Stewart Smith w[as a] pathologist of nation[al repute.] He was president of [the Asso]ciation of Clinical P[athologists] in 1961-62 and a fou[nder] and member of th[e] council of the Royal [College of] Pathologists from 19[...]

He will be remem[bered for] his warm and frien[dly person]ality, for outstandin[g ...] a general and foren[sic patholo]gist, as a teacher an[d ...] wise and approachal[...]

He leaves a widow and a daughter.

PROF LANCELOT HOGBEN

Ivor Montagu writes:
As an old student under Lancelot Hogben I should like to add my tribute to the admirable obituary published on August 23. When judging his quirks, however, I think the atmosphere of just-after-Great War England, when he obtained his first post, that of demonstrator at the Royal College of Science, should be borne in mind. Some few of us in his zoology class were young—I was 15—but others were older men who had returned to university life after military service. The fact that he had voluntarily gone to Dartmoor, tearing up an exemption certificate, to suffer the harsh treatment experienced there by conscientious objectors by the side of Cambridge friends in the same category, did not spare him the persecution of these ex-warriors, it attracted it. No names, no pack drill, but some of them—who may well have regretted it in after life—combined to present him with a white feather, waiting, however, until after his teaching had won them success in their de[term]inations.

He [i]nducted me [into] research he devise[d ...] axolotl, Proteus an[d ...] (For the last we[...] part of the previo[us ...] one of my uncles, [...] chicken farmer [...] Fosters, a mansi[on ...] appropriately-name[d ...] Eelam.)

All of these were at least ingenious, [...] alas, ended in blin[d ...] no before his te[...] inspiration had o[...] to adventurous thin[...] appreciated all [...] treasure with grat[...] ends of argument s[...] ing through mud-d[...] thesham Bois. He [...] he way, fast, so th[...] n his wake, reprov[ing ...] shortness of brea[th ...] careless in the [...] infinitives thus sha[...] ing in my consci[...] importance of the [...] exposition be [...] natural, but which [...] toiled vainly to ach[ieve].

SIR GEORGE GARDNER

Sir Morien Morgan writes:
George Gardner was a loved and respected character. Two facets of his activities when he was Director of the Royal Aircraft Establishment might be of interest as a supplement to your admirable obituary.

He had spent most of his formative professional years at Farnborough, and was very proud of the establishment's history and achievements. The RAE had a sacred relic, a rather decrepit tree to which—so legend said—Cody used to tie the aeroplane which achieved the first sustained flight in Great Britain in 1908. "Cody's Tree" achieved fame when the Society of British Aircraft Constructors moved its annual flying display to Farnborough shortly after the 1939-45 War. The tree became something of a Farnborough trade mark.

Soon after George took over as director, disaster struck. Cody's tree showed signs of collapsing into a heap of rotting waterlogged wood in spite of a plastic coating given to the old thing a few years earlier. George Gardner would not tolerate this. He promptly said "Cut it down and cast it". This was duly done and a massive light alloy tree emerged, faithful to the original, which is guaranteed to survive for generations as a lasting memorial not only to Cody but also—to those who know the story—to George.

On a more substantial note, George Gardner played a pivotal role in getting the country, with Fra[nce, into a] leading position o[f super]sonic transport fr[...] suasive powers an[d ...] largely responsible [for get]ting the Ministry [...] Headquarters' te[am ...] headed by Sir Cy[ril ...]—that his young e[...] Farnborough deser[...] in the idea of fu[...] sive cooperative p[ro]gramme with [...] explore the fund[amentals of a] supersonic airliner [...] of his advocacy ca[...] sonic Transport A[dvisory Com]mittee which did [...] the foundations fo[r ...]

Subsequently it [gave him] great pleasure, afte[r he] had moved back to [...] as Controller of Ai[rcraft] at the minister's si[de ...] Anglo-French Con[corde agree]ment was signed in [...]

George Gardn[er ...] British aviation [...] decades over a [...] trum—equipment [...] engines, guided we[apons, elec]tronics. In his re[...] gained particular [...] from the success [of the Con]corde teams in th[e] the establishments [...] France, in produci[ng ...] plane which d[...] works. They have [...] come truly formi[dable tech]nical obstacles—on[ly pro]fessionals can reall[y ...] formidable they [...] Whatever people's [...] Concorde, few q[...] magnitude of the [...] achievement. Geor[ge] certainly played his [...]

ADMIRAL SIR JOHN FREWEN

Admiral Sir John Frewen, [G]CB, Commander-in-Chief [Ho]me Command, 1969-1970, [wh]o carried out the task of [mer]ging all shore commands in [the] United Kingdom under one [Com]mander-in-chief, died in [ho]spital on Saturday at the age [of] 64.

During the Second World War [he] served on Russian convoys [and] as squadron navigating [offi]cer for large-scale aircraft [carr]ier warfare in the Pacific.

[J]ohn Byng Frewen, the son [of] Captain E. L. Frewen, RN, [was] born on March 28, 1911, [and] entered the service at the [age] of 13 as a Dartmouth Cadet. [Am]ong his other appointments [bef]ore he reached flag rank [wer]e those of commander of [the] anti-submarine establish[men]t at Portland and captain [of] the aircraft carrier Eagle. [H]e was Vice-chief of Naval [Sta]ff 1963-65; C in C Home [Fle]et and Nato C in C Allied [For]ces, Eastern Atlantic 1965-[67] Nato C in C Channel 1966-[67] and C in C Portsmouth, [19]67-69.

[H]e married in 1937 June [Gw]endolen Cazenove.

SIR SYDN[EY] BARRAT[T]

Sir Sydney Barrat[t ...] of Albright and [Wilson ...] from 1958 to 1967 [died on] August 28 at the ag[e of ...]

The son of Peter [...] was born on Augus[t ...] and educated at Clif[ton] and Balliol College, [...] saw service in [the] Garrison Artillery i[...] later returned to [...]

He was Sebag[...] scholar and Willia[...]tioner. In 1920 he [...] and in 1922 was Bal[liol lec]turer of the Roya[l ...] Between 1922 and 19[...] lecturer in Chemistr[y ...] University, and Univ[ersity Col]lege London, and [...] Physical Chemistry, [...] University. He joine[d Albright] and Wilson in 1932 [as assist]ant director of res[earch;] in 1938 was made a [...] He was a Pro-char[cellor of] Bath University from [...] a former chairman [of ...] College council. From 1965 he was preside[nt of the] Society of Chemical [Industry]. He married in 19[...] Vaughan Lucas. They [had a] son and one daughte[r].

[M]r Floyd Barger, former [edi]tor of the *New York Daily [Ne]ws*, died in hospital on [Fri]day. He was 68. He retired [as] editor and senior vice-presi[den]t on August 1, after 33 years [wit]h the News in many reporting, writing, editing and special [cor]respondent capacities.

[M]r Percy William Jupp, CBE, [F]RICS, who died on August 25, [was] formerly Director of Lands [and] Accommodation, Ministry [of] Works.

[...]r Commander John Rees [...]s Jones, a Justice of the [Pea]ce for West Sussex, from [...] died on August 25.

Mr Frank Byard, CBE, who died on A[ugust ...] was Director of Nav[al ...] Admiralty 1960-63 and [...] of Works (Navy) Mi[nistry of] Public Building and [Works] 1963-65.

Lord Dormer has di[ed at the] age of 71. He was the [...] Baron. He married [...] Lady Maureen Thérèse [Jose]phine Noel, oldest dau[ghter of] the fourth Earl of [Gains]borough and they h[ad two] daughters. His brother, Joseph Spencer Philip [...] succeeds him.

THE TIMES
BUSINESS NEWS

The glorious twelfth and all that page 14

IMF compromise settles issue of gold's role in world monetary system

Peter Jay
...mics Editor
...ington, Aug 31

...e long-running argument ...en the United States and ...West European countries ... the role of gold in the ... monetary system is over ...st. Agreement has been ...ed here over the weekend ...ccessive meetings of the ...e ministers of the five ...g countries (United ..., Germany, Japan, Britain, ...ce), the Ten (adding ...da, Sweden and the lesser ... countries) and the Twenty ...esenting all the member- ... of the International Monetary Fund).

... references to gold as hav- ...ny special status in world ...tary affairs will be written ...f the articles of the IMF. ... Fund's holdings of about ... million ounces of gold ... about $23,000m will be ...ally disposed of.

... the same time there is to ...n informal agreement out- ... the IMF among the 10 ...ng countries for two years ... central banks will be free ...uy and sell gold among ...selves and on the free ...et at market-related prices, ...ect to an over-riding pro- ...ion on any net acquisition ...ld by those countries as a ...e.

...is compromise meets the ...rican desire for the, at ... formal, elimination of ... as a "barbarous relic" ... the world's monetary sys- ... It also meets the desire ...ome West European coun- ... to be able to use their ... reserves at market-related ...s.

... leaves France free to hope ... in practice, in an age of ... inflation, gold will take ...nce again its pivotal role ...e undisputed basis of in- ...tional currency values.

...e formal adoption of the ...romise will await final ...ment on two other out- ...ing matters of IMF busi- ... and on precise legal draft- ...f new IMF articles. This ...pected to be accomplished at the next meeting of the Fund's top-level interim committee in Jamaica next January.

Final agreement on the distribution of the planned 32.5 per cent increase in IMF membership quotas is being reached here today. The stake in the IMF of the oil-producing countries is being doubled. While that of the less developed countries remains unchanged. This means that the share of the richer countries has to be reduced.

It has at last been agreed that the United States shall retain a big enough stake to keep a veto by itself on all major IMF decisions. Britain's stake will fall to a little over 5 per cent; but it will still be the second largest stake after that of the United States.

The argument between the United States and France whether fixed or floating exchange rates shall be represented in the IMF articles as the norm is not yet any nearer being resolved. But the finance ministers of the five leading countries yesterday agreed to leave it to the United States and France to work out any compromise they could agree upon.

The general expectation is that by next January they will have agreed to shelve the whole issue. But there is still some question whether the United States Congress and, perhaps, the French parliament would ratify the other proposed changes in the IMF's articles if the rules for exchange rates were not to be established to their liking at the same time.

The IMF's gold will be disposed of in three unequal parts. About 100 million ounces will be retailed for the time being to be disposed of in ways yet to be decided by the board of executive directors, representing the member countries of the fund.

Another 25 million ounces will be returned directly to the members in the proportions in which they originally subscribed it.

The last 25 million ounces will be sold at market-related prices either on the free market or to central banks; and the proceeds will be used, probably through a new trust fund, to give concessionary finance to the poorer or poorest countries which have balance of payments difficulties. The exact method of these sales has yet to be decided by the IMF's executive board.

It will take up to two years to draft, enact and ratify the necessary changes in the IMF's articles. Officials are working out ways to bring the new gold compromise into operation well in advance of that. But nothing will be done operationally before formal agreement is reached on the whole range of IMF reform issues—gold, exchange rates and increased quotas—in Jamaica next January.

The monitoring of the agreement outside the Fund about central bank purchases and sales of gold at market prices will probably be undertaken through the Bank for International Settlements in Basle.

The practical effect of the rule of no net acquisitions of gold by the Group of Ten countries as a whole will be that no central bank can buy gold except from another central bank within the group.

Over a period of years, as some monetary gold is sold on the free market, official holdings of gold are expected gradually to decline, though this depends on the shape of the further agreement to be reached at the expiry of the two-year period of the present deal on the basis of an interim assessment to be made during the second year.

The American idea for a trust fund to be financed from IMF gold sales to help the poorest IMF members has received new impetus from the way in which the impact of the oil-producing countries balance of payments surplus is being concentrated on the poorest developing and non-oil producing nations.

BSC cutting prices of welded pipe by 10pc

By Peter Hill

Reductions of more than 10 per cent in the price of welded steel pipe are being made from today by the British Steel Corporation.

This move, a further reflection of the corporation's flexible pricing policy, is an attempt to boost demand against the background of the sharpest recession in the steel industry for more than 40 years.

The corporation's tubes division first introduced welded pipe of up to 18in diameter a year ago; but until now there has been no difference between the price of welded and seamless pipe.

Now there will be a separate price list for welded pipe products. A new price for welded pipe, according to the BSC, represents a reduction of up to 10.5 per cent from present seamless prices, depending on quantity.

The BSC said that it was only recently that welded pipe in the size and ranges affected had been available in commercial quantities. Introduction of new price lists also reflected the tubes division policy of offering this range of welded pipe as a permanent alternative to large seamless pipe products.

The new pipe is being produced at the corporation's works at Hartlepool. Smaller sizes of welded pipe have been used for more than 20 years for marine and general industrial pipework and in smoke tube boilers of power stations.

Seamless pipe capacity released as a result of welded pipe availability will be used to manufacture heavier walled tube for use in the international energy market.

The corporation has also extended its temporary rebate scheme on orders placed for hot rolled and cold rolled sheet and coil on orders taken for delivery by the end of this year.

The BSC's latest price changes come at a time when American steel producers are generally lifting their prices to cover some of the increased production costs they have incurred.

At the weekend, Kaiser Steel Corporation announced increases being introduced from the beginning of October which represent a net increase of about 3.1 per cent.

Lord Ryder: Directors in cloud-cuckoo-land.

Ryder plea for younger executives

Britain needs younger men to run industry, according to Lord Ryder, chairman-designate of the National Enterprise Board, and the man who compiled the controversial report on British Leyland.

In an interview in Business Administration magazine today, Lord Ryder, who is 58, says: "Many boards of directors live in cloud-cuckoo-land, thinking they are doing the governing. They are not, and no one else is. In many cases it's just a battleground."

Men must be promoted to top positions faster to cope with the changing industrial scene.

"British boardrooms can no longer be governed by dates or by birth certificates. The sooner we see younger men on our top boards, the better it will be for all", Lord Ryder, formerly chief executive of Reed International, says.

Managers are now in the most difficult position of all and are facing traumatic changes. "Some of the older men—and that often means the most senior executives — will not be able to adapt themselves to the new situations."

Businessmen on the Continent were amazed that Britain had not gone further in employee participation.

Leyland purchase of crawler tractor plant will rescue 700 jobs

By Roger Vielvoye

British Leyland has stepped in to save the 700 jobs at the Marshall-Fowler plant in Gainsborough, Lincolnshire, by purchasing the last British-owned crawler tractor manufacturer from the Thos. W. Ward group for about £3m. It will use the factory for expanding its Aveling-Barford construction equipment manufacturing operations.

Aveling-Barford, a major part of the Leyland Special Products group, makes earth-moving and road-making equipment at Grantham, about 35 miles away. British Leyland will invest an additional £2.7m in Marshall-Fowler's two factories to expand the manufacturing capacity.

The acquisition has been approved by the Department of Industry after consultation with Lord Ryder, chairman-designate of the National Enterprise Board.

Mr David Abell, managing director of Leyland Special Products, said yesterday: "There is no question of British Leyland, now backed by government money, using it to save a lame duck.

"The Marshall-Fowler business has been very carefully examined, and it makes sound financial sense for us to take it over.

"The product ranges of both Aveling-Barford and Marshall-Fowler are in many ways complementary. For some time we have been looking for ways of expanding capacity at Grantham without a massive capital expenditure."

The Thos. W. Ward group, which announced the closure of the Gainsborough works in July, said in a statement that under the takeover agreement, Leyland Special Products would acquire all Marshall-Fowler's assets at Gainsborough.

These included 30 acres of freehold land and buildings, all plant and machinery, all debtors and creditors and the portion of inventories relating to products that would continue to be made.

Aveling-Barford will at first move production of tractor shovels to Gainsborough, which will be used as the base for introducing a new range of products of this type.

The changes will mean some rationalization of Marshall-Fowler's products. Output will be concentrated on a reduced range of crawler tractors but production of the Marshall-Fowler rollers, boilers and other special equipment will be progressively phased out.

Transfer of the tractor shovel business will release capacity at Grantham for increased production of dump trucks and graders and will not affect the number of people employed. There might even be an increase in the workforce by 1980.

Thos W. Ward said Aveling-Barford would maintain the workforce of 700 employees at Gainsborough at its current level. Subject to market conditions it was expected that the figure would increase significantly by 1980.

Disc traders alarmed by threat from multiples

By David Young

Independent record dealers, already hard pressed by the multiples, and with the prospect of having to compete with the new Comet chain of discount record shops, are becoming increasingly concerned about the threat of a new price-cutting war sparked by the multiples.

The multiples, W. H. Smith, Boots and Woolworth, have in the past two years captured such a share of the record business that only by concentrating on specialized sectors of the market and offering an efficient special order service have many of the independents survived.

They have admitted that in some cases the price-cutting record offers have been designed to attract younger customers to their stores as well as eliminating profits which would have taken them over their Price Code limits.

Smiths have now replaced their highly successful offer of 50p off their top 100 long-playing records with one offering 60p off the top 100 titles. Discounts from the top 100 music cassettes has also gone up — from 30p to 35p—and since this is available through its 160 record departments W. H. Smith is likely to increase its market shares.

Woolworth, which at present offers 55p off selected LPs is considering increasing the discount, but Boots has no plans to change its 55p-off offer on selected LPs.

But the independents, pressed as they are by rising overheads, rents and rates and lacking the buying power of the multiples, are unable to rival these latest offers. And wage awards to workers in the retail sector have added to the cost pressures on independent dealers.

Alfa Romeo workers defy order for enforced holiday

From John Earle
Rome, Aug 31

Fifteen thousand Alfa Romeo workers will defy their management by reporting for work tomorrow at the company's two Milan plants.

The company announced when closing for the August holiday that work would resume on September 8 instead of 1, and that the extra week of idleness would be remunerated out of the public "cassa integrazione" relief fund.

The unions have rejected this, telling their members to turn up for work as usual. They have stressed that this will take place "with the maximum order and a sense of responsibility", adding that they do not wish to occupy the plant but to affirm the right to work.

The dispute affects about 15,000 of the 42,600 employed by the Alfa Romeo group, and centres on the stocks of unsold vehicles. Under a previous agreement with the unions lay-offs can be introduced when stocks exceed 22,000.

The company, which forms part of the State-owned IRI group, admits that the figure has sunk from 30,000 at the end of July to about 23,000 at the end of August, but claims the number is bound to accelerate in coming weeks.

Europe tourism on increase

Geneva, Aug 31.—Despite inflation and recession, the tourism industry can be expected to maintain steady expansion, it is stated in a report by the United Nations Economic Commission for Europe.

Its survey of 15 west European countries shows Portugal, Spain and Yugoslavia as having the highest rate of tourism growth in recent years, with Belgium and Luxembourg the lowest.

Brokers say 'No' to early reflation

...Melvyn Westlake

... move should be made by ...Government to reflate the ...omy before next spring in ... of the likelihood that un- ...oyment could reach as ... as 1½ million in a year's ...

...y such reflation would ...me the success of the ... policy, which is a pre- ...tion foreign holders of ...ng would probably not ... That is the burden of ...atest issue of Economic ...asts prepared by the re- ... department of the City brokers Phillips & Drew.

... conclusions run com- ...y counter to those of the ...nal Institute of Economic ... Social Research in its ...erly Economic Review, ...shed last week. The in- ... called for early but ...st reflation in view of the ...tling nature" of recent ...opments in output and ...oyment.

...ording to the Phillips & ... forecasts, published this ...ng, the balance of pay- ... is likely to play a key ...n economic developments ... the coming months.

Some success is expected for the £6 limit on wage increases, but it is doubted whether by itself this strategy will be sufficient to protect sterling if, as Phillips & Drew forecasts suggest, the balance of payments position deteriorates this winter.

This deterioration is expected for several reasons. They include the possibility that export volumes may lag behind the upturn in world trade; that British export prices will begin to rise more slowly; commodity import costs will rise as a result of the world upturn; and that imports will increase as a result of restocking by industry.

Thus, an overall current account deficit of £1,350m is predicted for the calendar year, compared with £432m in the first half. Next year a payments deficit of some £1,600m is forecast. (In 1974 the currency account deficit was, however, £3,800m).

The forecasters appear to see a strong possibility of a move to establish import controls in selected areas, but believe the Chancellor will resist attempts to make controls general.

The Phillips & Drew forecasts gloomily suggest that unemployment will reach between 1¼ and 1½ million by next summer (on a seasonally adjusted basis) while the National Institute predicted between 1.3 and 1.5 million by the end of 1976.

Both the National Institute and Phillips & Drew expect inflation to be about 13 per cent through 1976.

At the same time, the Phillips & Drew staff comment that an "austere period lies ahead for personal living standards". Real disposable incomes are expected to fall by about 3 per cent over the next 12 months. A contraction of about 1 per cent is foreseen in gross domestic product

The forecasters strike their most optimistic note when they say that if the external position does not deteriorate then the wages policy together with rising unemployment may be sufficient to see the economy through to next spring without further government intervention.

UK bids for big Korean steel project

By Clifford Webb

British steel plant manufacturers are competing for South Korean orders worth between £50m and £100m. Despite the present world recession in steelmaking the South Koreans are going ahead with plans to treble output within five years.

They are particularly anxious to lessen their dependence on Japanese equipment

Negotiations are already at an advanced stage between Davy-Ashmore and the South Korean state-owned Pohang Iron & Steel Co for supply and installation of a large blast furnace. This order alone could be worth some £50m.

The final choice will almost certainly hinge on the credit terms made available by British banks. Mr Joong Yoel No, managing director of Pohang, told me: "We are extremely anxious to do business with Davy-Ashmore and other British firms, but their credit terms must be competitive with other international sources. At the moment they tend to be a little high."

A big attraction for the South Koreans is the possibility of additional financial coverage from the British Export Credits Guarantee Department. This was the clinching factor in the £20m loan which Barclays provided two years ago towards setting up a South Korean car plant at Ulsan.

Construction orders up

New orders received by British building contractors totalled £533m in June, compared with £457m in May, the Environment Department said.

Redpath Dorman Long will build oil platform units for two fields in North Sea

By Our Energy Correspondent

Redpath Dorman Long (North Sea), the British Steel Corporation's offshore oil platform building subsidiary, has won two small subcontracting orders worth about £3m that will help to keep the company's construction yard at Methil, Fife, busy until new platform orders are won.

The yard is to build the steel deck structures on which prefabricated working units will be installed for a platform being built on Phillips Petroleum's Edda Field in Norwegian waters and on Occidental's Claymore platform in United Kingdom territory.

Despite a setback in the late delivery of the first great steel jacket for the Shell/Esso Brent field, RDL is seeking new orders for its hybrid design of steel and concrete.

In the meantime, the yard is working on the construction of two jackets for the Amoco gas fields in the southern North Sea. Construction of the steel deck units will run parallel to this work.

The largest of the deck structures, worth between £2m and £2.5m, has been ordered by Phillips. It will weigh about 2,600 tons and will be fabricated, assembled and loaded out in sections on to a barge from the Methil works next summer.

The contract includes the installation of pipework, instrumentation, electrical work, painting and the sea fastening of the structure to its barge before the tow-out.

Occidental's deck support unit is much smaller, weighing only 900 tons. It will be fabricated, assembled and loaded out in one section next spring.

An Italian shipbuilding group, Italcantieri, is to build a new advanced design pipelaying vessel for the Saipem subsidiary of the ENI group.

It will be known as the Saipem Castoro 6 and will be built at the Arsenale Triestino San Marco yard in Trieste. The vessel will be semi-submersible and is designed to lay pipe up to 2,000ft below the surface of the ocean.

Rising unemployment and further decline in incomes foreseen in magazine review

...siness News Staff

...other pessimistic forecast ...itain's economic prospects ... the next 12 months is ...hed today.

...ernment attempts to halt ... unemployment will not ...ccessful and a 6 per cent ...e in consumer spending ... the way, according to the ...zine Management Today.

...y that unemployment has ...d the million mark, polit- ...concern will increase but ...se spending power has ...ly been severely cut and ... continue depressed ...gh to the autumn of 1976, ...e number of jobless will ... rising. Incomes after tax have now fallen 5 or 6 per cent behind the rise in prices on a 12-month comparison.

The magazine says consumer spending in real terms looks set to drop by between 2 and 3 per cent between the beginning of 1975 and the end of the year. This factor alone would be sufficient to reduce the level of production.

Although exports are still edging upwards, this will not be enough to offset the decline in consumer and public sector spending. An additional adverse factor is that industry's stocks still appear high, and could be cut further.

"In these circumstances the tide of unemployment will still be flowing strongly. The Government's new scheme will not prevent large scale economies in the use of manpower, and natural wastage will contribute to a reduction in the numbers employed. On a three-month average the unemployment trend is now rising by more than 50,000 a month—or 600,000 a year", it adds.

But in forecasting, the magazine points out, allowance must be made for changes in government policy in 1976 slanted towards expansion. It expects income tax to be cut and although reductions in indirect taxation are unlikely, credit may be eased to stimulate demand.

CBI puts case for simplified accounting

Traditional ways of presenting company accounts are inadequate to the needs of the present time, in the view of the Confederation of British Industry.

In its second report on The Presentation of Company Accounts, published today, the CBI says: "With employees and small shareholders now taking a greater interest in industry and its finances, it is becoming increasingly necessary to explain in everyday terms just what the figures mean."

The purpose of its report is "not to provide an infallible recipe or series of recipes for presenting annual reports to shareholders, the public, employees or the press.

"It is to help those who wish others to understand information such as is contained in a balance sheet, a profit and loss account, a directors' report or a chairmans' statement."

Airline's leasing orders

British Midland Airways has won three orders worth more than £1.5m for its leasing service which provides aircraft and crews to airlines needing instant capacity. The contracts bring orders since April 1 to over £5m, and are with Malaysian Airlines systems, Cyprus Airways and Air Anglia.

On other pages

Barclays in Abu Dhabi

Barclays Bank International opens its first branch in the United Arab Emirates today. The branch at Abu Dhabi will provide a direct link between the Gulf and Barclays operations in 70 countries. It will provide a full personal and corporate banking service.

Lending rate 11 pc

The Bank of England's minimum lending rate is being held at 11 per cent this week. The following are the results of Friday's Treasury Bill Tender:

Applications	£1,285m	Allotted	£450m
Bids at £97.41½%		Received	76%
Prev. week £97.39½%		Received Prev week	14%
Avge rate £10.5805%			£10.4535%
Next Friday	£400m	Replace	£500m

'Free float' attacked by US currency expert

Frank Vogl
...ngton, Aug 31

...Alfred Hayes, one of the ...g architects of United ... monetary policies in ... years called today for ... greater American inter- ...n in exchange markets ...for the maintenance of ... as an important reserve ...in the monetary system.

... Hayes, who retired four ... ago as president of the ...al Reserve Bank of New ... stated in the annual Per ...son Lecture here: "I ... like to see a firmly- ...ged float that would in- ... forceful dealing with the ...t whenever necessary ...would allow significant ...nge-rate changes only in ...with changing fundamen- ...

... comments in many respects undermine the official American policy positions on monetary questions and they are bound to be seized upon by opponents of the United States at this week's IMF meeting, particularly because of the key position that Mr Hayes held for so long as the principal agent of the government in foreign exchange market operations.

Mr Hayes attacked one of the favourite themes of Mr William Simon, Treasury Secretary, by noting that informed opinion is once again moving towards a more stable system of exchange rate management, and that while free floating may appeal to the American philosophical approach to economic policy-making. "I must conclude that a freely floating-rate system is an illusion".

In a further attack on Mr Simon's well-known arguments, the former central bank chief pointed out that it was not possible to equate free floating with the free market adjustment of ordinary prices, as "exchange rates are not like other prices, because currencies are not commodities or simple financial assets, but are crucial economic variables that help shape the economic welfare of each country and thus have to be the responsibility of governments".

Mr Hayes indicated that the United States was still to some extent pursuing policies of "benign neglect" with regard to exchange rates. He called on the Administration for a great improvement in its foreign exchange market intervention, and a much fuller and more frequent coordination with the major European countries in particular.

He stressed that special drawing rights would prove to be an important reserve asset, although their practical usefulness was limited, partly because it was difficult to see how they could be used as a medium for market intervention or fully accepted by all.

Meanwhile, the world would have to live with several reserve assets, principally the dollar and gold.

Here he again attacked Mr Simon's policies, although without mentioning him by name. Whether people liked it or not, he said, gold still represented the most cherished form of monetary reserve in a great many countries, and would probably continue to have a place in monetary arrangements. Because of these factors "the whole debate between those in favour of demonetizing gold and those for increasing its role again strikes me as the financial equivalent of arcane theological arguments".

BY THE FINANCIAL EDITOR

Reading the international indicators for ICI

ICI's second quarter figures, due on Thursday, will have some significance for the market's general mood as well as herald the start of the season for chemical sector figures, in the wake of last week's depressing results from two European majors, Hoechst and BASF.

Figures from their continental counterparts have only a limited relevance for ICI and the rest of the field this time around. ICI's first quarter figures, for instance, demonstrated that the United Kingdom market at least was holding up remarkably well in the midst of a worldwide recession in chemicals and fibres, while there is a further complicating factor in the exchange rate gains—still operating in ICI's favour over the opening six months of the year, when its influence on profits is historically more pronounced.

But ICI's exposure to what happens overseas was around a third last year in trading profit terms (excluding exports, the real bonanza in 1974) and indeed the course of first quarter sales there appears roughly in line with the domestic experience of Hoechst and BASF.

It seems fair to assume then, that the deepening recession shown in the two continental majors' second quarter figures will have a greater impact on Thursday's figures. At the same time, the recent troubles of AKZO, while partially attributable to unique problems over and above the impact of recession, must be some sort of a guideline to the international course of the fibres and textile cycle.

Apart from the United States no one appears to be prophesying a significant recovery starting before the end of the current year—and at home there is a distinct feeling that the worst is yet to come. The anomalies in the Price Code, some residual export benefits and the length of time it has taken for recession to make an impact on demand, in sharp contrast to what has happened in the United States and on the Continent, make it an extremely hazardous exercise to forecast the fortunes of the usually predictable cyclical favourites.

The average estimate for ICI's second quarter is £70m—anticipating a drop of two-fifths or so from 1974's exceptionally good figures.

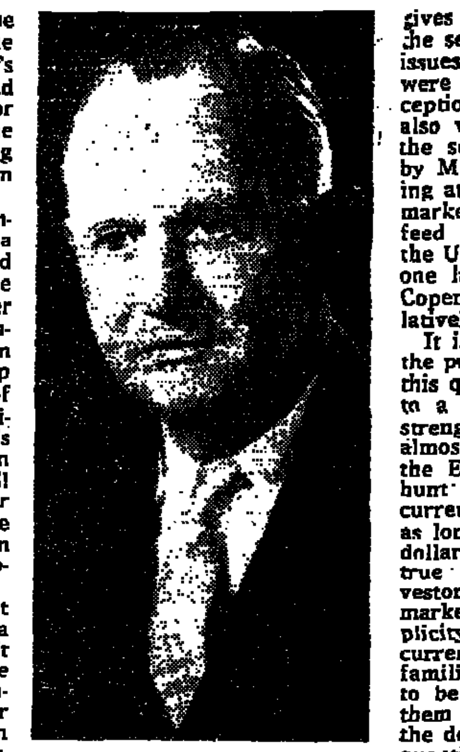
That still looks rather better going than either BASF or Hoechst, and it could be that ICI will follow the latter's cyclical pattern at a six or nine month distance.

Dowty

Maintaining momentum

Net borrowings up from £1.23m to £6.87m provide a sobering undercurrent to what is otherwise an optimistic enough set of accounts from Dowty. The main factor behind the rise in borrowings is evidently the sharp increase in stocks from £22.7m to £31.2m, although the change in stock appreciation treatment for tax purposes has been worth £2.1m to cash flow.

But as Dowty itself points out, borrowing remains low in the context of £40.7m of net worth, and for the moment capital commitments of under £1.3m are unlikely to impose any strain. Moreover, the higher level of stocks is no reflection at all of an uncertain order book. On the contrary, the market for coal mining roof supports and conveyors remains extremely buoyant. And while aviation does not look so strong, there remains a solid base of continuing orders on such projects as the Jaguar, the MRCA programme and the Harrier to suggest at least an element of stability


Sir George Dowty, chairman of Dowty: exports doubled.

So there is clearly plenty of momentum left, and now that the fixed price Chinese contracts are out of the way there must be some hope for a revival of margins—as, indeed, the second half performance last year suggested. For the shares at 107p, yielding 7.1 per cent and selling at just over 8½ times earnings, the implications must be encouraging.

Accounts: 1974-75 (1973-74)
Capitalization £40.0m
Net assets £40.7m (£37.9m)
Borrowings £6.87m (£1.23m)
Pre-tax profit £9.46m (£8.91m)
*Earnings per share** 12.3p (12.2p)

* fully diluted

SDRs

Still much scepticism

Once more the question of what kind of a role can be played in the international markets by currency cocktails has been pushed to the fore. As an issue, it is beginning to look like a hardy annual. The Eurobond market, in particular, has been accustomed for some time to coping with composite currency units like the Unit of Account, the European Currency Unit and the Eurco. But there can be little doubt that the IMF's special drawing right unit must be treated as the most serious contender among the various units struggling for a wider usage.

In particular, of course, the SDR has been talked of as the unit of currency most appropriate for use in the oil and airline worlds. Earlier in the summer, the first Eurobond issue denominated in SDRs came into the market, and it has since been followed by two more. More recently, Chase Manhattan Bank has said it is to begin offering loan and deposit facilities indexed to the SDR, a unit based on a basket of 16 currencies.

Yet the scepticism remains widespread. The oil producers' proposals to price in SDRs carry both advantages and disadvantages, but it is questionable how fully these are understood. As Morgan Guaranty Trust pointed out in a recent comment, the SDR "is still surrounded in too much mystery and obscurity to gain quick acceptance as an international currency and standard of value".

This, indeed, has been the critical problem for other currency cocktail issues in the Eurobond market before now, although the semi "official" status of the SDR undoubtedly gives it an edge. Significantly, the second and third Eurobond issues denominated in SDRs were given a much cooler reception than the first. Such also was the case earlier with the second Eurco issue, made by MEPC and currently standing at only 60 in the secondary market. Issues continue to feed through denominated in the Unit of Account—there was one last week for the City of Copenhagen—but these are relatively few and far between.

It is perhaps unfortunate for the proponents of the SDR that this question should have come to a head at a time of such strength for the dollar. It is almost an established joke in the Eurobond market that the hunt for a hedge against currency variations lasts only as long as the weakness of the dollar. Certainly it remains true that international investors continue to show a marked preference for the simplicity of investing in a currency with which they are familiar. When it happens also to be strong it is hard to see them being tempted away from the dollar in more than modest quantities.

But banks admit to watching the situation closely and the sign to look for is whether others will follow the Chase Manhattan's example.

Overseas property

Developers sit tight

Property developers' problems abroad have for obvious reasons been over-shadowed by their problems at home. Even so, the reverberations of the situation in Australia—where economic recession has in several cities turned a promising property scene into a desperate struggle for lettings on existing space and a determined effort to abandon new projects—have been felt in London, with MEPC's share price in particular reflecting anxieties about it.

Nevertheless, the extent to which the balance sheets and profit and loss accounts, in particular of those companies which spearheaded the big advance into Europe at the turn of the decade have been affected by the well-known problems of Paris, of Lyons, of Frankfurt, Munich and Brussels is remarkably small.

Paradoxically, the reason lies in the very circumstances which would exacerbate these problems for British companies: exchange control and the matter of financing overseas. Except in the case of those companies which do have overseas associates or subsidiaries, exchange control regulations have virtually obliged the would-be overseas developer to borrow abroad to finance his project, securing the borrowing on the building and in United Kingdom assets.

Where such a situation has gone wrong, there are substantial reasons—much more substantial than on a comparable situation in the UK—for living with any running loss and hoping for a turn in the market. For when the sum realised on a sale is insufficient to cover repayment of the loan made for development, the borrower is faced with the prospect not merely of remitting depreciated sterling to pay off the balance, but also of having to buy premium currency to do so.

Such currency complications can prove very expensive indeed, as Raglan demonstrated back in May when it realised a £6m loss on a £12.5m sale of seven French investment properties which had been bought just 18 months before. A substantial part of the loss on the sale, which was made at the behest of bankers supporting the group, was attributed to currency fluctuations.

Hugh Stephenson

Softly, softly on the road to recovery

Virtually each day now there is news of one industrial country or another taking steps to stimulate its recession-bound economy. Meanwhile the Chancellor of the Exchequer seems to be holding to his policy of allowing our recession to reduce inflation in this country and of expecting the increasing level of activity in the rest of the world gradually to lead us out of our recession with export-led growth sometime about the end of next year.

In this semi-orchestrated reflation by other parts of the industrial world the position of the United States is, as always, central. The self-interested hope of the rest is that the United States economy will bounce strongly back, giving world trade and the rest of us the boost that is required. And, in the international gatherings where these things are discussed if not negotiated, the Americans, from Treasury Secretary William Simon upwards and downwards are making the right noises, particularly in order to encourage others to do their own share of the work.

Having spoken, however, to a number of intelligent travellers, recently come from Washington, it seems clear that in so far as they are able to control the course of the American economy, Washington policymakers are most anxious not to be responsible for a great and rapid boom. They say that what they want is a steady but modest recovery and they mean both steady and modest.

One important factor producing this attitude is said to be a determination not to repeat on the rather American scale the magnificent mistake of the Heath-Barber charge for the guns (or dash for growth) into the Valley of Inflation. From the Treasury to the White House through the Federal Reserve the watchword seems to be extreme caution.

This instinct will have been reinforced by the way in which the latest price figures appear to show a return to double-edged inflation within moments of the recession having been declared to be at an end. There seems thus little chance that on the fiscal front the administration will wish to nudge the expansion in a faster direction. Meanwhile, on the monetary front there is every prospect that the Federal Reserve will maintain a distinctly conservative policy and be perfectly prepared to see interest rates rise, if that is a necessary consequence.

The other question mark hanging over the American recovery is that autumn Opec price decision. It is in part a question of straight economics for, with a country as dependent on the use of energy in general and the motor car in particular, a further substantial price rise will have the instant depressing effect on demand that would come from a similar rise in indirect taxation.

In large part, however, it is also a matter of confidence. For if the Opec price rise is greatly more than 10 per cent, it will affect the morale as well as the investment intention of the automobile industry, sending a further bearish wave through the whole of the American economy in a way that those in less auto-centred economies find it difficult to understand.

Hopes that Opec will settle for around 10 per cent or even less seem to centre on the argument that the market position of oil has weakened greatly during the present universal recession. The organization, it is hoped, may also fear the long-term effects of the stimulation to alternative sources of energy and energy saving that would come from a further substantial oil price rise.

Against that, however, lie two important facts. First, the oil producing countries as a whole have ceased to ... their foreign currency reserves ... notable cases, like Iran, reserves ... once again falling. This is the ... part of the drop in oil liftings, b... importantly because of their ... tedly high capacity to spend mo... to give it away.

Secondly, the terms of trade h... again started to move agains... Both of these factors would be ... for pressing for an oil price ... greater than that which seems ... to be entering into the calcul... American business economists... moderates in Opec are unlike... prepared to settle for less tha... cent.

Finally, since world trade ... sharply than anticipated by m... recent recession, it may be sl... in the past to grow again wh... mies begin to expand. Both ... could be explained by the g... international production thr... sidiaries at the expense of th... import business over the past ... In any event it seems increasin... that British economic recovery ... ternal causes will come later ... slowly than most were expect...

A big grouse from the moors

Walking up a Speyside grouse moor the other day, cradling a 12-bore as a pointer dog quartered the heather, the hunting and shooting world where five days' sport can still set you back around £1,000 seemed on the surface as assured as it has been for generations.

Martin the gamekeeper, cigarette alight the better to judge wind direction in the sparkling air at nearly 2,000 feet, was telling how one 26,000 acre estate had, since the glorious twelfth, seen a best bag of a mere three birds.

Late snowfalls last June had not only killed some young red grouse but decimated the insects on which this uniquely British bird—beloved of American and other foreign sportsmen—depends for food. In that part of Scotland bags are popularly put at 30 per cent down so far, although taking the country as a whole it could turn out an average year.

Such matters, normally staple conversation as the evening mists shroud Scottish and north of England moors and the after-dinner port lays the last traces of heather dust, these days get scant attention. For inflation is savaging the shooting fraternity much as a retriever will an unwary hare.

Apart from the vast acreages owned by the old landed and usually titled families in Britain, there are probably some 300 shoots of 1,000 acres or more. Many thrived from 1970 until this year from the influx into the sport of two distinct classes of people in search of pleasures once the prerogative of the aristocracy and landed gentry.

Americans in pursuit of the red grouse were happy in growing numbers to pay the higher and higher premiums demanded for shooting on the moors. So were some continental sportsmen, especially West Germans. In British syndicates of City and businessmen flourished, taking substantial lets on shoots up and down the country.

But recession-hit Americans thinned out last year and so far show little sign of coming back in large numbers. One club aimed at the once rich market of Americans, Japanese and a sprinkling of continentals was the Seafields Sportings Club, launched in the early seventies by Lord Seafield at his Cullen estates in Banffshire.

In 1973 the charge for staying a week at Old Cullen, a smaller family house near the main Cullen House, was put at around £300 a week, including accommodation, meals and a continuous supply of wines and spirits. A week's grouse shooting added around another £800 to the bill.

This year the Sportings Club appears not to be in business. It leaves a question mark over similar enterprises with not dissimilar price tags such as Tulchan Lodge, also in Banffshire, which probably cost the Slater Walker enterprise around £2m to get into operation.

Slater Walker themselves appear quite happy with the state of their business there, despite local surmise that they have had to shave some pricings this season and might even welcome selling out.

It is a possible argument, too, that at the Rolls-Royce end of the market the uniqueness of the British grouse will always bring well-heeled sportsmen into this country.

But the businessmen and professional people who swelled the syndicate movement are noticeably deserting the market as, classically badly hit by inflation, they pare their costs by first whittling down their leisure spending.

One north of England estate management specialist—who like so many in the shooting world appealed for anonymity because all business is still done on a withdrawn old boy network—has already seen a significant number of syndicates wilting or collapsing.

He said: "Re-lets in these circumstances are not proving easy. It leaves landowners just hanging on hoping for the best. But it is already leading to shrinking of keepering staff and I am afraid we could easily see less and less driven shoots, with land simply going back to rough shooting."

Costs, particularly for wages and transport, are hammering everybody involved in the sport. The most optimistic estimates of the inflationary march is 20 per cent overall, but many put it nearer 30 per cent.

Some indication of the size of the problem comes from the Game Conservancy, headquartered at Fordingbridge in Hampshire, who get monitoring reports from around 300 substantially sized estates throughout the country.

All these shoots are keepered, with an average one keeper per 1,000 acres although the ratio is lower on grouse moors. Keepers are most at a premium on pheasant shoots—and a small number of partridge shoots—where birds are reared to supplement the wild stock.

Feed prices, a big factor when supplemental stock is reared, a year ago had virtually doubled within two years. That rate of rise has tailed off—except for some grain needed to feed the birds after they have been released into the woods—but it still costs probably about £5 a pheasant released into the wild that will eventually be shot.

Only one in three birds released in fact ends up in the game bag. Some seven million pheasants are hand reared each year for what is still the most popular branch of the sport—grouse shooting comes an easy second—and something like that number fall to the guns. The balance comes from the wild stock.

Poulterer price for a pheasant over the counter in October may well be around £2 a bird, emphasizing the cost gap which the 12-bore fraternity have until now been willing to bridge in pursuit of their sport.

Common to all quality shooting are costs like that of keepers which can come out at around £3,000 a year when perks like rent-free cottages and help with transport are costed in. A new working suit for a gamekeeper—a bill usually met by owners—can be around £70.

Beaters, running at about £3.50 last season, are costing often as much as £5 this year. Cartridges are up some 10 per cent in the last year. Newcomers to the sport can pay around £1,000 for a quality English gun.

On many pheasant estates basic cost to an owner of keeping a shoot on is put at £75 a day per gun. A typical pheasant shoot of 20,000 acres, with five keepers, on the Borders looks like costing around £20,000 for some 15 days' sport.

Around four days letting for the traditional eight or nine guns, at just over £50 a day per gun, will, if there are takers, bring in £2,000 towards the overall cost.

One man who believes he has found a way out of the worst of the dilemma for the landowners is Mr John Birth, managing director of the Malloch International Sporting Agency, headquartered at Perth and currently opening a City of London office.

He is specializing in putting together shooting holiday packages, especially for a growing continental clientele who can be cossetted from stepping on the aircraft at their home airport. An increasing number of land owners give him a few days shooting, including the quality driven sport, or let walked-up shoots, some on more marginal territory.

On the Speyside walk-up the other day was a Marseille dentist and his wife, an interpreter at their elbows when needed. On a driven grouse shoot earlier in the week had been a group of American oilmen, some working in Scot-


...ouse shooting on the Lammermoors.

...k, with other professional ...le from France and Italy.

What the Malloch agency is ...ing with this brokerage ...setting up sport which com... with or even undercuts ...prices in terms the continental ...

...—Robin Compton, who ... a transatlantic business ... as well as being owner of ...by Hall, an Adam-designed ... house near Ripon in ...shire, is not one of them. ... has been taking shooting ... in for some time on a ... of his 6,000 acres to help ... ends meet.

...s year he expects outgo... to be in the region of £... A substantial part of ... costs he expects to meet ... parties, one from France, ... by the Malloch agency.

...said: "What worries me ... is preservation of the countryside. Unless you can keep up a standard ... ing the vermin incre... sants are also a crop."

On Speyside it h... obligatory beforehan... dressed in the tradi... tish sporting unifor... tweed shootin' brite... stockings and deer st... to mention a borrov... litre BMW to add a ... cosmopolitan class.

The uniform seem... uneasy among the ... tinental and tr... shooting gear. That fi... augury of change on ... ingly unchanging Brit... lands.

It may not perhaps ... a bad thing if the ... ler such tourist cash ... that shot in the ... depends on British ... not being priced righ... the market by eve... costs.

Derek ...

Business Diary in Europe: Down the drain in Naples

A big attempt is being made to clean up Naples and its bay, an area with the sad distinction of not only the highest unemployment rate but some of the most polluted waters in Italy.

The government's development fund for the south, Cassa per il Mezzogiorno, has approved the allocation of 258,000m lire (£184m) for six water treatment plants and 230 miles of drains in Naples and its hinterland from Caserta to Salerno which, added to expenditure on seven projects already in the process of execution, brings the Cassa's total commitment for this purpose so far to 462,800m lire (£330m).

Clean water lies at the basis of any hopes for Naple's economic recovery, both as a tourist and industrial centre. Once the biggest city in Italy, Naples and its surrounding Campania region can now only boast of having about a quarter of Italy's unemployed.

If tourists are to be attracted back in large numbers, events such as the cholera outbreak and a more recent dustmen's strike must become memories of the past—thanks to adequate public sanitation.

Some promotional activities continue to go ahead, such as the annual Maremoda Beachwear Trade Fair on Capri, being held from September 5—8, but, while a certain amount of business will doubtless be generated, this can do no more than scratch the surface of economic recovery.

Changes however may be in sight in Naples itself, where the situation is regarded by all parties as explosive. As a result of the June 15 local elections, the power of the dominant family of Christian Democrat politicians of the old school has been challenged, and the new mayor is from the republican party. At least, if he has his way, there should be a shakeup in old methods based on patronage and paternalism.

Good bet

While West Germany's Chancellor Helmut Schmidt was burning the midnight oil last week trying to work out how to curb the Federal government's budget deficit next year and in the years to come, the city state of Hamburg was quietly pushing ahead with a sure fire way to boost its revenues.

Not surprisingly, the answer lies in gambling. Hamburg is the latest of the German states to realize that this particular human weakness can be a finance minister's godsend and the senate has accordingly drawn up a draft bill to license a casino in the city.

If all goes to plan the traditionally conservative citizens of Hamburg will be able from the beginning of next year to play the tables and the state's finances will be better off to the tune of 8m Deutschemarks a year.

Hamburg is one of the last of the German states to overcome its moral scruples and grant a casino franchise. Traditionally Baden Wuerttemberg, Bavaria, Hesse, Rhineland Palatinate and Schleswig Holstein have always looked favourably on such activities particularly as 80 per cent of the receipts are shared out between the state, municipal and Federal governments with the states getting the lion's share.

The only questions remaining are where will the Hamburg casino be situated and who will win the concession. To the first there is only one certain answer and that is that it will not be in Saint Pauli, the dockland precinct that holds the celebrated Reeperbahn.

The second will be decided by a public tender probably around the end of this year but rumour has it that some of Hamburg's more prestigious private banks are already showing an interest.

Approached with some trepidation the other day, a case of Carrascal, a white Spanish table wine, the markings of which proclaimed its contents to be 12 bottles, each containing "2/3 litter." It's still rather tasty, for all that.

Argy-bargy

Unlike their colleagues in neighbouring Holland, Belgium's 9,000 bargees are pressing on with their blockade of the country's inland waterways in support of higher freight rates and better working conditions for their families.

The protest was originally due to last only three days, but it was extended when the bargees overwhelmingly rejected a compromise solution to their problems worked out between their representatives and government officials.

An ill-timed refusal by the minister of communications to resume negotiations until the blockade was lifted proved counter-productive.

The 95 per cent vote against the compromise formula by a section of the population which is not often up in arms took the government by surprise. It had apparently assumed the protest would end in mid-week irrespective of any concessions being offered.

The bargees' uncharacteristic militancy is largely the result of the inflation surge which has already forced many bargees out of business. Those who have suffered most are the owners of small boats of less than 400 tons which still make up two-thirds of the country's 4,200-strong fleet.

A general decline in the industry began in the fifties with the rapid growth of road haulage. As recently as 1962 the inland waterways were responsible for more than 30 per cent of good transport. But this share has now fallen to 23 per cent, while the percentage of goods travelling by road has risen from about 30 per cent in the early sixties to more than 50 per cent now.

Good ship Venus

A 400 bedroom cruise liner has been chartered to ease the acute pressure on accommodation in Aberdeen for the four-day Offshore Europe 75 Conference and Exhibition later this month.

Accommodation is so scarce in the oil boom city that international oil executives have been offering carrots of £200 a week to secure flats.

Those unable to find accommodation have booked bed and breakfast aboard the 9,500 ton liner Venus which will sail into Aberdeen Harbour on September 15 the day before the conference opens.

Only a few berths are left on the ship and many of the expected 20,000 visitors to the conference may face problems finding a bed in the city. Several Aberdeen based companies have jumped at the opportunity of offering "something different" to their executives by booking lounges aboard the liner.

A restaurant and musical entertainment will be available on board the ship which was used as a floating hotel for the Offshore North Sea Exhibition in Stavanger last year.

Appropriately, the ship's figurehead is a girl in a long transparent gown.

Special travel arrangements have been made for the conference. British Airways are laying on at least ten extra flights from London to Aberdeen and special flights have been organized from Oslo, Stavanger and Amsterdam.

Applications for accommodation during the conference have come from as far afield as Brisbane, Japan and the Middle East.

LETTERS TO THE EDITOR

EI should be replaced by ı Institution of Engineers

: Lord Avebury and others

:he fact that you have pub- ı several news items and ·s on the reorganization of engineering profession is ative of the national im- nce which you accord to ·ble changes in its struc-

ere can be no doubt, that firm and active leadership, engineering profession play a much greater role lving the problems con- ng the nation.

fortunately, discussions the last year within the ssion have lost sight of *bjective, becoming bogged* in technical complications ı confuse the membership are of questionable tance.

fessional engineers are ınly responsible for the ion of industrial research development and the ı and manufacture of etitive new products, but ılso concerned with the ı of production equip-

ıce they are largely nsible for changes in d and semi-skilled job tunities and productivity . The importance of these ions is obvious.

present the profession is sented by a confederation arned societies embodied e Council of Engineering utions. In its 10 years of ınce this body has ved very little towards ; the profession a unified channel of communication with Government, industry and the public on matters of national importance.

This is apparent in many instances, but one significant recent example highlights the extent of the problem—the Government went to the RIBA for advice on policy for primary energy conservation, which is largely an engineering matter.

What, then, is the reason why the advice of engineers appears to be overlooked? Can it be that in the CEI we have a body which is meant to be representative but in reality *seeks* to pursue merely the lowest common denominator of its member institutions' views?

The presidents of three large institutions proposed last August that in its place there should be an Institution of Engineers with a small council directly elected by the members of all the qualifying body.

In this way a central representative organization would be created with the ability to speak for the profession as a whole, and to act on such matters without obtaining the prior approval of 15 separate institutions.

Yours faithfully,
AVEBURY,
R. W. FLUX,
L. CSUROS,
W. CASSON,
P. M. HOLLINGSWORTH,
24 Rivermill,
Grosvenor Road,
London, SW1.
August 27.

Selling British cars abroad

From Mr C. Smith

Sir, I would like to correct an inaccuracy in Mr D. C. Bridges' letter to you (August 26) under the heading "Leyland's appalling indifference".

Our letter to our Nairobi dealer said it would cost hundreds of thousands of pounds worth of expenditure to engineer the Range Rover for certification in the United States, not £100,000.

In a letter addressed directly to Mr Bridges we also pointed out: "Even more pertinent is the fact that our productive capacity can be sold profitably outside the United States, and whilst this is the case we are sure you will agree that it would be rather foolish to incur additional expenditure in order to give a lower return on capital."

Thus a factual error and an omission have caused you to present a distorted argument which could have been avoided simply by checking the matter with British Leyland.

Finally, we would suggest that annual exports of almost half our production to 180 countries around the world and several years as Britain's largest exporter can hardly be termed "appalling indifference" to overseas sales.

Yours faithfully,
C. SMITH,
Personal Export Manager,
Rover-Triumph, Car Group,
British Leyland Ltd.,
Leyland House,
174 Marylebone Road,
London, NW1.
August 27.

From Louis B. Gunter

Sir, I have just spent a three-week holiday in the almost unspoilt mid-Western state of Montana in the United States. Montanans call it "the treasure state" and "big-sky country"! It is very prosperous and beautiful.

However, I did not see a single British car during that period and we did have to spend a certain amount of time on the excellent motorways. There were vast numbers of German, French, Japanese and Swedish cars.

American acquaintances expressed interest in our cars but complained of the lack of opportunity of trying one.

Where are all our splendid British salesmen?

Yours faithfully,
LOUIS B. GUNTER,
137 Cumner Hill,
Oxford.
August 24.

ıtent Office fees rise

Mr John Bushell

The concern expressed in columns about the extra- ary rise in government ıt and trade mark fees may explanation to those of readers who do not buy latest SIs, draft SIs or ıtroller's annual report.

e rise has been about 200 cent in just over a year. is near seven times greater the rise in commercial s, so that the difference ars to be one of kind, not of degree.

e goes to the Comptroller's al report to find hint of cataclysm that appears to overtaken the Patent e and one finds no such

ıat the latest report (for says is that the rise in ıt Office costs parallels the in commercial costs, that esulted in a deficit in 1973 1974 and that the Patent financial objective is to ce the cost and income of aring services "over a]". The report does not what the period is.

So the Patent Office has to pay off a deficit. There is no indication of borrowing from commercial sources, and so one supposes the payment is to the Department of Trade.

The only ready explanation why the rise in patent and trade mark fees is so extraordinary is that the Department of Trade (or whoever the source of finance is) has set a repayment period which is inordinately short by commercial standards—the sort of period which, commercially, would force a borrower into bankruptcy.

This decision (it is not a Patent Office decision) has to be viewed in the light that the same authority kept the Patent Office fees down artificially during previous periods of *government price restraint.*

Thus the same authority was a prime creator of the deficits which it now insists should be paid off in too short a period. Or that is how it seems to one on the outside.

Yours faithfully,
JOHN BUSHELL,
34 Cursitor Street,
London EC4A 1PQ.

North-west struggles to find a way out of recessionary gloom

Industry in the regions

Latest batch of industrial surveys and forecasts which show a further drop in capital spending and manufacturers' stocks and, in some key ares, predict a continued fall-off in new orders well into next year, make gloomy reading for everyone.

They are, however, particularly bad news for those regions which have been struggling for many years to overcome inherent economic weaknesses and to rebuild their industrial base.

For the North-west, for instance, the publication last week of an especially pessimistic report on the industry's prospects by the Engineering Employers Federation is a matter of the utmost concern.

For many years now the trend in this region has been towards a largely engineering base as a replacement for the declining traditional industries like textiles and coal mining.

The problems arising in regions like the North-west are compounded by the fact that in a time of economic crisis, with rising unemployment and a cutback in industial investment and activity, no amount of special aid through regional policies and the "incentives" they provide is likely to achieve the desired results of correcting the imbalance between "problem areas" and the rest of the country.

In a sense the whole country has now become a "problem area" and regional difficulties—although they tend to worsen—attract special notice. In other words, the degree of imbalance in an area like the North-west becomes less sharply defined when it can no longer be compared with what were for long regarded as "prosperous, high employment, high wage areas"—such as the west Midlands.

The fact remains, that as regional industrial planners have been pointing out for long enough, in a time of general recession the difficulties of the weaker regions clearly accelerate much faster than is the experience—however bad in itself—of others.

The extent of the North-west's present crisis can perhaps best be illustrated by taking as an example two widely different areas—on the one hand the old Cheshire town of Stockport, now part of the Greater Manchester area, and *on the other the Lancashire* new town of Skelmersdale.

In the context of the North-west region as a whole, Stockport has throughout most of the postwar years been fairly fortunately placed. It has a long tradition of diverse manufacturing industry—with a heavy bias towards engineering—coupled with a reasonable spread of office employment and service occupations of its own, and easy access to the jobs market in the city of Manchester.

It has captured its fair share of industrial and commercial development, and many of its older industries have been replaced by new, high technology enterprises. Unemployment has never been the major problem that it has, for instance, in some of the neighbouring mill towns

But today Stockport has its worst unemployment figures for 30 years and all local forecasts indicate that they will get still worse. the jobless total has risen by some 35 per cent over the past year.

Skelmersdale new town was conceived—as were others—with the aim of creating both new jobs and a new life style for thousands of workers and their families from the overcrowded and decaying urban areas—in this case, Liverpool.

Today nearly 9 per cent of the workers who moved to Skelmersdale on the high-sounding promise of "a new job and a new home" are out of work; well above the 6.9 per cent average for the whole North-west region. This is in a town where the incentives for new industrial investment have been and remain among the best available anywhere in Britain.

Yet there could be much worse to come for Skelmersdale with increasing doubts about the future operations of its two biggest employers—Courtaulds textile mill and the television tube makers, Thorn Electrical Industries—which between them employ more than 20 per cent of the working population.

These two examples, the old and the new towns, demonstrate (as many other places could also do) the truth that has long been evident in the North-west region—that even in "normal" circumstances it has to run much faster than the rest, in terms of industrial development, to maintain its relative position, let alone improve it.

And when recession comes, it slips back much more quickly even from positions of relative security on the one hand and maximum incentives on the other.

R. W. Shakespeare

FINANCIAL NEWS

Illingworth, Morris could be heading for recovery this term

By Ralph Holder

If Illingworth Morris, the wool textile leader, did rather better last year than some might have feared in probably the worst ever conditions for the industry, the chances seem that in 1975-76 the group will not lose much further ground, if any. Mr M. Ostrer, the chairman, keeps his options fairly wide open in his annual review with the report.

He *says that in spite of in*different trading conditions and the world economic climate prevailing, results should not be much different from the year just ended, when pre-tax profits were £1.63m, or some £3m below 1973-74's. At best, however, there is a chance of a sharp rebound—if reflation of the economies of West Germany, Japan and the United States take place quickly, and inflation is brought under control.

Group borrowings have been reduced significantly—from £26m to £19.4m, and the process goes on. This, barring a return to even higher borrowing rates, promises a "considerable" further reduction.

Since Illingworth depends on exports for about half of its activity, a key question is how when and whether the Government can grasp the nettle of cheap suits and cloth imports. Action by the Australian authorities towards price stabilization holds out the possibility that wool may become the least speculative raw material in world trade.

BP and ICI's interims both coming Thursday

September opens with a bang in terms of routine company news. This week's results include half-year figures from no less than British Petroleum and ICI, and both on the same day—Thursday.

Full-year statements are beginning to multiply, notably in the shape of Smith Bros, a leading London jobber, Decca, Dalgety, the Blackwood Morton carpet group, and Robb Caledon Shipbuilders.

Among other majors reporting at mid-term are Imperial Metal Industries (an ICI interest), Turner & Newall, Albright & Wilson, BTR, Bowater, Sun-Alliance & London, Provident Financial, and Crane Fruehauf. The interim due from Reardon-Smith Line is piquant in view of the revived takeover talk which lifted the shares further on Friday. Details:

TODAY. Interims.—Electrical and Ind Secs, and H and J. Quick. Finals.—Cons. Inds, R. M. Douglas (Contractors), and Fox's Biscuits.

TOMORROW. Interims.—Barton Fell, J. Foettie, Blackwood Hodge, Allen Harvey and Ross, Imperial Metal Inds, Nurdin and Peacock, [illegible] Shakespeare, and Turner and Newall. Finals.—[illegible] Goldsbrough Mort, Smith Bros, and UK Property.

WEDNESDAY. Interims.—Albright and Wilson, [illegible] Group, BTR, Council and Co, Cosalt, D. Crouch (Contractors), Hartle Machinery Int'l, Kleeman Inds, and Sun Alliance and Lon Insurance. Finals.—Anglo-Thai Corp, Decca, and Raybeck.

THURSDAY. Interims.—Arthur Bell, British Petroleum, Brown Bros, Imperial Chemical Industries, Mixconcrete, Provident Financial, Reardon Smith Line, and Sharpe and Fisher. Finals.—Dalgety, and Robb Caledon Shipbuilders.

FRIDAY. Interims.—Bowater Corpn (half-year figs), Brit Vending Industries, Crane Fruehauf Trailers, Finance and Ind Tst, Friedland Doggart, Matthews Wrightson, Morris and Blakey [illegible] papers, and Rotork. Finals.—Blackwood Morton, David Dixon, and Parker Timber Grp.

McKinsey is too optimistic says Enka-Glanzstoff

Amsterdam, Aug 31.—Enka-Glanzstoff, the European artificial fibre member of the AKZO fibre and chemical giant, has declared the McKinsey report on its marketing prospects to be unacceptable as a basis for drawing conclusions and working out solutions.

The board said, at the start of talks *on the report with its* Dutch, Belgian and West German trades unions, that its impression was that the economic prognosis in the report was over-optimistic, especially for 1976 and in its forecast of a downturn in 1978.

Even if economic developments were to be in the right direction, the board needs to be able to solve Enka's structural problems in time to be prepared for the next downswing in the economy, the statement continued.

McKinsey & Co, the management consultants pronounced a month ago that Enka-Glanzstoff would have to take action if it was to avert losses until 1980. It estimated losses this year at around 400m florins (£73m).

Of the three problem products singled out in the report—rayon textile filament, rayon staple and nylon textile filament—Enka's expectations for sales and capacity-utilization especially of nylon textile filament, "are considerably more pessimistic than McKinsey".—Reuter.

£74m finance for Alcan Ireland

Some £74m of export finance has been arranged for Alcan of Ireland's 800,000-tonne alumina project there. Details have been announced in Canada and are confirmed by Mr P. Elton, chairman of Alcan Ireland.

The funds made available are £60m from the United Kingdom Export Credit Guarantee Department and \$30.6m (£14.6m) from the Export Development Corporation of Canada.

Veba profits cut by oil losses

Veba AG said its pre-tax profit fell by 15 per cent to DM340m (about £62m) in the first half of this year, despite funds taken from reserves to cover price rises. The chairman, Herr Rudolf Von Bennigsen-Foerder, told the annual meeting the company made a DM300m loss on its mineral oil business during the period.

First-half capital investments were DM902m against DM986m, with DM724m (against DM685m) spent in the electricity sector.

Costs put Hudson's Bay in reverse

Growth at Hudson's Bay Company slowed in the last quarter of 1974, and the group has now gone into reverse. For the six months to July pre-tax profit fell from \$4.3m to \$3.19m (£1.45m), though sales increased by 18 per cent to \$524.1m.

The board explains that merchandising expenses outpaced margins and finance costs stiffened. Second-quarter earnings, however, improved on the 1974 levels. Improvements were experienced in the retailing, natural resources and pro*perty sectors. The company* increased its share of the department store market, retail revenue rising 16 per cent. Two new stores opened last month have far exceeded hopes.

British Steel as a 'pawn'

The British Steel Corporation must be allowed to operate on a sound, commercial basis and not just be a pawn in politics, declared Mr Gerald Garman, in his annual chairman's report to shareholders of F. H. Tomkins, makers of buckles, etc, and stockholders of nuts, bolts and bright drawn steel.

While he is confident of a recovery, it is impossible to put a time on it. "We have never had a deep recession coupled with roaring inflation", Mr Garman points out. The competitiveness of British steel in the world markets was vital for future prosperity of the country.

Crellon acquisition

Crellon Electronics, a wholly owned subsidiary of Crellon Holdings Ltd, the industrial distributor, has conditionally agreed to acquire not less than 97 per cent of the ordinary share capital of GDS, the electronic component distributor, and not less than 99 per cent of debentures.

Crellon Holdings is issuing 675,000 new ordinary shares, worth £182,000, in exchange for its shareholding, in GDS. The acquisition makes Crellon Electronics one of the largest electronic component distributors in the United Kingdom. GDS has a 50 per cent holding in a major distributor in Denmark.

Bumper first quarter at Lennons

Optimism is high at Lennons, *the supermarket group,* with the news that sales in the first quarter of the current year rose 75 per cent over the same period last year and that net profits are significantly ahead.

Mr T. T. Lennon, chairman, told shareholders at the annual meeting that the company was in a "highly satisfactory" position. "We do not have any loans from anyone and I cannot therefore do anything other than take an optimistic view of the future", he said. For the full year to March 29, group profit before tax rose 6 per cent to £960,000.

Higher dividends by Alliance trusts

The Dundee-based investment twins Alliance Trust and Second Alliance Trust report varied progress. Second Alliance pushed its net revenue for the year to July 31 up from £886,000 to £962,000, for earnings a share of 4.88p, against 4.48p. Net asset value a share was 162½p, against 128p, while the dividend rises from 6.17p to 6.54p.

Alliance, now halfway through its year, estimates that earnings a share for the year to January 31 next will dip from 5.77p to 5.5p because of reduced liquidity and lower interest rates. Meanwhile, the dividend is raised from 2.38p to 2.46p. Net asset value a share at July 31, was 191p, against 164p a year earlier.

Bernard chief quits

Mr B. Mizelas has resigned as chairman and joint managing director of Andre Bernard, following a 1974 pre-tax loss of £184,663. The group made a pre-tax profit of £15,816 the year before. Mr D. M. Cohen takes over as sole managing director. Turnover during the year grew from £1.6m to £1.8m. The group (hairdressing, shopfitting and taxi hire) continues to streamline, and though there has been some improvement in the first half year the board is unable to forecast.

CONS GOLD FIELDS OF AUSTRALIA

Consolidated Gold Fields of Australia has cut the final dividend from 8 cents a share to 5c to make 12c compared with 14.5c the year before. This is due to inadequate returns on iron ore operations, losses on the gunpowder base metal mine and other projects, and the difficulties foreseen for the current year. The operating profit was cut by \$A2.1m to \$A22.6m but tax was well down.

COPPERWELD CORP

Copperweld of the United States said a foreign company may offer to buy all its stock. It did not name the possible bidder.

HORACE CORY

Pre-tax profit for six months to June 30, £113,000 (£139,000) on turnover, £669,000 (£598,000). Dividend raised from 0.32p to 0.33p.

CAPITAL ISSUES LAST MONTH

Midland Bank estimates the amount of new issue money raised in the United Kingdom in August at £120.1m, making £1,394m so far this year, against only £327m in same period of 1974.

ACE MACHINERY

ACE Machinery (Holdings) rights offer of 1.02m shares of 25p at par drew a 98 per cent acceptance. The odd 19,000 unallotted shares have been sold in the market for benefit of provisional allottees.

DARJAN CONFIDENT

If no substantial change in economic conditions and no unexpected developments, legislative or otherwise, chairman confident on prospects.

CHARTERHOUSE GROUP

For R2m (about £1.33m), Charterhouse Group is to acquire 9 per cent of Southern Sun Hotel Holdings, a South African Breweries offshoot. Southern Sun will acquire some assets from provisional judicial managers of Tillman Hotels with part of those funds.

GT JAPAN INV TRUST

Pre-tax profit for year to June 30, £64,093 (£185,452). Tax £32,155 (£98,531), foreign currency loans interest £278,000. Earnings a share, 0.64p (1.74p).

JOSEPH WEBB

Turnover for year to March 31, £1.66m (£1.37m). Pre-tax profit, £221,000 (£253,000). Dividend is raised from 1.09p to 1.21p. An overall increase in group profits for the current year is promised.

CHALLENGE CORP

Pre-tax income for year to June 30, \$NZ8.34m (£4.17m) (against \$15.9m). Dividend is held at 12½ per cent.

ɪanagement

Edited by Rodney Cowton

tudying details to make a profit

are few greater challenges facing a management introduction of a new logy which takes them marker where they lack ence. Certainly such es provide ample scope ert, sharp and unexpected s. When this happens, the phically minded may some consolation from the at at such times lessons be learnt at an extra- ry rate.

cent example of this is ed by the Bemrose Co- n, the packaging and g group based at Derby, in 1973 invested £3m in ransfer printing. This is method of printing, ed by a French company which there is a rapidly g market.

concept of heat transfer g is simple. It involves g designs for textiles on and the transferance of lesigns on to the material ging the cloth and paper r at high temperature. a number of advantages aditional textile printing s.

ally a company such as e supplies the printed and the textile user the print to the l by a continuous rotary e. It means that for a ly small investment of ,000-£30,000 the user can own printing.

process can handle ex- complex designs, and nates the finishing stage ed with traditional s. The user's inventory e reduced as (apart from the machinery) his investment is only in the printed paper, and he can much more sensitively control the amount of fabric to which he applies a particular design.

Having tested the method fairly extensively on one machine in their packaging plant and on the United Kingdom market, and carried out a worldwide market research operation Bemrose thought they were on to a winner when they committed themselves to their £3m investment. But things went rapidly and dramatically wrong.

They were unlucky in that their principal supplier discontinued production of the particular grade of paper they needed and it was nearly a year before they secured adequate alternative sources of supply. In the interim they suffered problems over quality through having to use unsatisfactory papers.

But they also suffered serious *difficulties through their lack* of experience of the textile trade. This manifested itself among other things in a rate of bad debts that was very much worse than they were accustomed to in the other sides of their business. Also, they concentrated initially on marketing their own designs, a policy which has since been changed, so that 90 per cent of their paper is now printed to customers designs.

To be successful heat transfer printing had to be marketed on a worldwide basis. Bemrose had no experience either of running an extensive international marketing organization, nor of the differing administrative requirements of selling in different countries.

All this led to a loss in 1973 on heat transfer printing of about £680,000. At one stage the losses on this operation were running at over £90,000 a month, which is no joke for a group which, in the previous year had had trading profits of £1.2m.

Because these losses arose from many problems, for the most part attributable to lack of specialized experience, there was no scope for a dramatic turn-round through the resolution of just one major obstacle. Instead, the difficulties had to be removed by a steady process of attrition, as the company learnt more about the ways of the new world into which it had moved.

However, after what was clearly a traumatic 12 months for the managers and directors involved, Sir Max Bemrose, the chairman, was able to announce *early in 1974 that the heat* transfer printing had moved into profit.

But having turned the corner, the company was left with something more than a few scars and, in the medium term, a good investment. There have been a number of benefits, though it could be argued that they have been somewhat expensively gained.

There is now a management which knows, and will not forget, that successful diversification requires more than just getting the process and the market research right. Every last detail has to be carefully studied in advance.

Nevertheless there are other and more specific gains. One of the conclusions reached by David Wigglesworth, chief executive, at an early stage in the crisis was that the financial control systems were not sufficiently tight. They had not enabled him to see soon enough in 1973 that heat transfer printing was going wrong.

They may have been adequate for the stable, traditional activities of the group, but they did not provide the very close monitoring required for a major diversification. Accordingly, new systems were introduced throughout the group about 18 months ago by Gordon Hay, the finance director.

These involve an annual budgetary and strategic planning exercise and the maintenance of a 12 months' rolling cash forecast, with the first three being forecast month by month and the remaining nine months on a quarterly basis. Monthly performance reports from the operating centres provide an instant picture not only of the cash position, but also of key ratios covering debtors, creditors and stock. Costs are written off in the period in which they arise, whether or not sales have been achieved.

Although Bemrose is not a conglomerate, the financial controls enable the group to operate somewhat along the lines of a holding company, with a very small head office, able closely to monitor the activities of the operating units, while at the same time allowing considerable freedom of action to the managers of those units.

ɛt familiar with the Equal Pay Act

urbing indication that well-intentioned mana- uld shortly be exposing mpanies to proceedings the Equal Pay Act came last week with the pub- of a progress report on from the Department loyment.

l *Further progress to- qual pay*, and contained current issue of the *D azette*, the report says ny managers are mis- thinking that they have complied with the Act, come into force on er 29.

evidence came out a study of company s to the Act being car- on the D of E's behalf eam from the London of Economics and Poli- nce.

e 25 firms monitored, ıalf said they thought ıd already brought in equal pay, and the rest expect to be able to say the same thing by the time the Act is enforceable.

However, as the study shows—and as officers of the independent Advisory, Conciliation and Arbitration Service confirm—many underestimate the implications of the Act for their companies.

One problem is that managers are misled by the title of the Equal Pay Act into believing that it deals only with pay.

In fact, it establishes a woman's right to equal treatment with a man in a wide range of benefits covered by the individual's contract of employment, where the woman is doing work that is the same or broadly similar, or where different, has been rated as of equal value by job evaluation.

Among the items managers are overlooking, therefore, are things like sick pay schemes, preferential mortgage facilities and relaxation allowances.

The latter, which are payments built into work study-based time rates, particularly for women, to allow for breathers or nose-powdering, point to another area of misunderstanding.

While the Act is mainly designed to improve the lot of women workers, it in fact establishes the right of a man to equal treatment with women.

Lastly, the study reports, many managers fail to realize that under the Act comparisons may be made between pay structures of men and women irrespective of where the woman works or what her job is called.

To use the D of E's example, a woman in the accounts office called an "accounts clerk" and doing work the same or broadly similar to that of man sitting in an office near the shop floor and called a "factory clerk" must not be treated less favourably than him—or vice-versa.

Under the Act an aggrieved worker may refer a claim to an industrial tribunal, whether personally, through a trade union or, indeed, the Secretary of State for Employment may do it.

The tribunal has the power to amend collective agreements, and can award individuals arrears of remuneration for up to two years before the referral date. It can also award damages in respect of non-cash benefits for up to two years, although not going back before December 29.

The D of E is not empowered to give authoritative interpretations of the Act to worried managers, but local offices will deal with straightforward requests for information.

Ross Davies

Business appointments

Financial director for Sanderson Kayser

Mr Frank Falck is to join the board of Sanderson Kayser as financial director.

Mr Angus Grossart has been appointed chairman of The Scottish Investment Trust and The Second Scottish Investment Trust to succeed Sir William McEwan Younger, who will retire from the boards on September 6 on reaching the age of 70.

After the sale of Wallacetown Engineering by Grampian Holdings, Mr James Richie has resigned as a non-executive director of Grampian. He continues as full-time executive chairman of Wallacetown Engineering.

Mr Derrick Burbidge has been made managing director of Winchester, Fox.

Mr J. F. W. Price has become sales director of Matston Excelsior, a subsidiary of Imperial Metal Industries.

Mr V. J. A. Underhill has been elected secretary of Sterling-Winthrop Group following the retirement of Mr W. G. Chapman.

Mr W. Waddell has resigned from and Mr G. S. Milne joins the board of Robb Caledon Shipbuilders.

After the death of Mr S. J. Phillips, the chairman, Mr J. A. Franks and Mr J. D. Burns have joined the board of Sunlight Services Group and Mr Franks has been appointed chairman.

Mr J. Dunn has been made a director of U U Textiles. Mr W. Rogers has resigned.

Bland Payne has made the following appointments: Bland Payne Marine—assistant directors Mr K. V. Baker, Mr T. L. Farrall and Mr C. Percival; Bland Payne (International)—executive director Mr H. L. Simpkins, assistant directors Mr I. D. Foster, Mr D. S. Heath and Mr M. M. Reid.

Mr J. M. C. Omand is to be building supplies division financial director of Ellis & Everard and Mr G. A. Dingley has been made building supplies division trading director.

Mr D. Smith has been made a director of *St Piran.*

Mr K. A. Murray has been made export sales director of William Warne and Co, part of the Lindustries group. Mr R. Barnes is to be technical director.

Mr Brian Jenkins is the new marketing director of Bowater Scott.

Mr Bernard Mattingly has become an executive director of Barclaytrust International and Barclaytrust Channel Islands. Mr Peter Maitland has been appointed an executive director of Barclays Insurance Services.

Mr Stanley Berwin, liaison director of Tesco Stores (Holdings) has resigned from the board.

Mr A. L. Robinson has been made deputy managing director of LR Industries, a division of LRC International. Mr S. Martin has become director of export sales.

Dr Reginald C. Parker has joined Abraxas Management Research as a non-executive member of the board.

FINANCIAL NEWS AND MARKET REPORTS

Mining

Liquidity pressures in Australia

Virtually nothing to spark encouragement emerged last week from Australia—and for that matter from almost anywhere else. Not only did we have the somewhat disappointing figures from Gold Fields of Australia where the dividend total for the year has been reduced from 14½c to 12c a share, but also a cutback in the final dividend at Western Mining Corporation.

There, escalating costs, the interest burden on borrowings required to finance higher stocks and the general malaise in the nickel industry all made their impact upon a group which has always been under pressure on the liquidity side.

But the worst news has been that from Australian Mining & Smelting where interim earnings were virtually wiped out, falling from $A16.1m to $A1.75m. Inevitably, the dividend has been passed compared with a 12c payment last time, and the total for 1974 of 28c a share.

While there are signs of recovery in the United States, A M & S does not expect this to spill over into the other western economies for some considerable time. The implication is, therefore, that the performance in the second half may be no better than in the first six months.

Apart from A M & S shares themselves, there must be some overspill by way of a reduced contribution to the earnings of its ultimate parent, Rio Tinto-Zinc. Being largely dependent upon copper RTZ can hardly face with equanimity the sharp fall in the London Metal Exchange copper prices on Friday of £15 to £604 a tonne. In passing, it is probably too early to say whether this represents the beginning of the unwinding of speculative positions built up in the metal as a sterling hedge, or else the immediate natural reaction to the increasing losses being incurred by the Zambian producers.

But coming back to RTZ, against earnings last year of 31p a share, an outcome not much over double figures, say 11p, seems likely for 1975 except in the now unlikely event of a really dramatic improvement in the copper price. With the shares now at 169p, the prospective p/e ratio of 15 is far from attractive even bearing in mind that the United Kingdom mining houses do tend to follow the United Kingdom industrial equity market. This point has been mentioned here before, and is also the subject of extensive research by brokers Fielding, Newson-Smith who have come up with some valuable statistical details.

Certainly, RTZ lags well behind Selection Trust, Charter and Consolidated Gold Fields in investment appeal despite its uranium potential.

Postscript

This is the last Mining Column in *The Times* in my name, as I now move to another place. I hope my various recommendations have been profitable and that some of the intricacies of the mining world may now be a little clearer.

Andrew Wilson
Mining Correspondent

Freight report

At last the Soviet grain purchases of the last few months appear to be having a positive effect on dry cargo rates. Brokers had expected these signs to become evident much earlier, but such has been the general overtonnaging among dry cargo bulk carriers and the guile of the Soviet chartering agencies that nothing has appeared before now.

The promised excitement in the tanker trade last week failed to materialize. One broker, Galbraith Wrightson, commented: "We must declare a drawn game." Owners had been unable to achieve higher rates, but at the same time charterers had failed to weaken their position substantially.

According to one source owners' chances still look good over the next three or four weeks, but after that they may have to get used to a temporary retreat.

Grain—and Soviet purchases in particular—dominated interest. Glenas is a rather nebulous company which after much rumour has been proved to have links with the Soviet Union. Its time-chartered ships appeared at American ports to load Soviet grain and started to take tonnage on 24 months' employment instead of the normal 12-18 months.

This was an escalation widely anticipated, but again not previously seen. Altogether brokers estimate that Russia now has through Glenas and other more direct sources some 42 bulk carriers of 25,000-35,000 tons on period hire.

Not content with this, Soviet chartering agencies have been scouring the market for vessels to carry single cargoes. Indicated business so far has been from Australia to Nakhodka in eastern Siberia; United States Gulf or east coast to the Black Sea and significantly from the United States north Pacific to the Black Sea, an unnecessarily lengthy passage forced on them by the threat of American dockers "blacking" elsewhere.

The brokers acknowledged that the Russians had been able to acquire tonnage cheaply, but suggested it would be acquiring still more at higher rates in the near future, cargo sharing agreements with United States flagships notwithstanding.

Commodities

Even the 'pros' have reservations about pacts and buffer stocks

A television commercial which gained enormous popularity some time ago—indeed, the "jingle" in purged form went to the top of the charts—included a reference to "teaching the world to sing".

Judging by the spate of conferences, speeches and declarations, if a "jingle" was made today on commodities (perish the thought) the theme might well be "teaching the world about commodity agreements", with a chorus based on "Buffer stocks, the balance wheel of the prices mechanism".

Behind the rhetoric lies a sincere desire on the part of a great many worthy people to better the lot of developing countries, avoid commodity price explosions like that of last year and bring stability into activities which comprise 50 per cent of world trade.

But many of those who support the general concept, and are encouraged by the somewhat belated show of interest and concern, have reservations both about the urge to tidy everything up into pacts and to create strategic stockpiles of this, that and the other.

Non-aligned developing countries want to organize a conference at which participants would pledge contributions to a $3,000m buffer stock fund for 10 major commodities. The United Nations Conference on Trade and Development has on hand a similar proposal, except that it would start with $3,000m for five commodities and later double that sum for the other five.

Mr Wilson, the Prime Minister, in his speech to the Commonwealth Conference in Jamaica in May called for a General Agreement on Commodities which would embody recognition of the interdependence of producers and consumers; call for an undertaking by producer countries to maintain adequate and secure supplies to consumer countries and an undertaking by consumer countries to improve access to markets for items of primary production of interest to developing producers; establish the principle that commodity prices should be equitable to consumers, remunerative to producers and at a level which would encourage longer-term production-consumption equilibrium and aim to encourage efficient development, production and marketing of commodities.

But Mr Wilson did not allow himself to be carried away; he added that there was "no general panacea" and that each commodity posed a special problem and had its own elasticity of demand and its own special problems of storage.

It is the need for a commodity-by-commodity approach to agreements that is a major point made by those who do not share the general euphoria. Methods of production, marketing, storage and consumption for one commodity do not work for another and there is always the overriding consideration that producers and consumers must to some extent conflict when striking a bargain.

Nor will commodity agreements, whether general or particular, stop powerful producers trying to make private deals to undercut the market.

Buffer stocks are a very tender point, too. In an ideal world both producers and consumers would bear the cost of setting up and maintaining a buffer stock. But the hard fact is that many consumer nations are disinclined to play such a role and would refuse to take part in an agreement calling upon them to do so.

In the absence of such producer-consumer cooperation the only answer to funding buffer stocks would seem to be by means of a central funding agency: but where is there such an agency with not only the inclination but the money?

Nor does recent commodity history indicate a hopeful outlook for agreements and buffer stocks. Only the tin agreement, up for renewal for the fifth time, has had anything like success and even then it has had its shaky moments.

The new tin agreement provides for voluntary contributions by consumer members to a doubling of the 20,000-tonne buffer stock previously established at the expense of the producers. Unanimous acceptance of this call by the consumer members is not expected, even in an industry which has had many years' experience of a commodity agreement.

Overshadowing the concept of commodity pacts is the future attitude of the United States, which traditionally, has opposed what it regarded as cartels and has so far stayed aloof, even in the case of tin.

Even though Dr Kissinger, the Secretary of State, has spoken of "a major initiative to reorder world raw materials markets" and his Department is known to be inclined towards commodity pacts, there is a long, hard road ahead before the United States enters the lists.

And without American participation, the case of the "pro's" is that much weaker.

Russian

With its purchase of grain from the United States, Canada, Australia and the Argentine totalling more than 15m tonnes the Soviet Union now seems to be revising its shipping schedules to move the bulk of its purchases by June next year.

According to the United States Department of Agriculture earlier schedules had shown that about 3m tonnes would not be shipped until after next summer's harvest. USDA also says that about 600,000 tonnes of the US-bought grain is for delivery to Cuba.

The International Wheat Council says in its latest report that total purchases of Canadian wheat by the USSR amount to 3.75m long tons for shipment to be completed by the end of October. ... tonnes bought from Australia is to be shipped between this month and May next year. 100,000 tonnes of Argentine wheat are on the move, with shipping completion due by September 20.

The IWC also says that ... sources report that ... have been selling wheat to ... Germany, in July and ... It is estimated that ... tonnes have been sold.

Wallace Ja...
Commodities ...

Euromarkets

The eurobond market is giving a mixed reaction to the European Investment Bank (EIB) offering of $100m (£47.6m) of five-year notes, according to AP-Dow Jones.

The notes will carry a nine per cent coupon and an indicated price of par. In Wednesday's announcement, Union Bank of Switzerland (Securities) Ltd, the lead manager, said the "single-tranche straight eurodollar debt issue is the largest ever announced in the euromarkets".

One dealer thought the size of the issue was "too much, just too much, and the nine per cent coupon doesn't help". But another found the offering "quite attractive, just about right for the name involved".

The EIB issue's five-year maturity is in its favour, but the nine per cent coupon is very tight, a trader said. He noted that EIB originally had wanted to go to New York with a two-tranche issue with maturities of five and seven years.

"Then they lumped it all into five years, but conditions on the New York bond market deteriorated to such an extent EIB did not want to pay the nine and a quarter per cent that would have been necessary", he said. On Tuesday EIB announced the cancellation of the public offering in the United States.

Several dealers pointed to the strength of the new-issue market as being a hopeful sign for the EIB offering. With Europe still enjoying the traditional August holiday period, the level of activity in the primary market was thought to be quite unusual.

Co-managers of the issue are: Banca Commerciale Italiana; Credit Suisse; White Weld; Deutsche Bank; Kredietbank Luxembourguoise; Amsterdam-Rotterdam Bank; Banque de Paris et des Pays-Bas; Robert Fleming and Co; Kuhn, Loeb; Société Générale de Banque; Swiss Bank Corporation (Overseas), and Westdeutsche Landesbank Girozentrale.

Other new issues included $40m of five-year notes of DSM NV (Dutch State Mines). Indicated coupon is nine and a quarter per cent. Lead manager Morgan et Cie, said pricing would be on Thursday evening. DSM will invest the proceeds in operations of its American subsidiaries.

A 10-year, 20m units of account offering of Copenhagen notes was announced by Kredietbank Luxembourguoise, the lead manager. Coupon is expected to be nine and a quarter per cent, and a purchase fund will begin in 1978.

Eurobond prices (yields and premiums)

	Price	Redptn Yld
$ STRAIGHTS		
AIDC 10¼ 1981	103¼	9.44
Airlease 8¾ 1988	82	11.45
Ashland 8 1987	90½	9.35
BICC 7¾ 1987	71	12.63
Bristol 8¼ 1979	95	10.60
British Steel Corp 8¾ 1989	83	11.25
Burlington 7¾ 1987	90	9.16
Carrier 8 1987	89½	9.50
Chevron 7 1980	98	7.50
Conoco 7 1980	98¼	7.37
Conoco 8 1986	96½	8.49
Cons Food 7½ 1991	81½	9.43
Coventry 8¾ 1981	93	10.85
Coventry 8¼ 1980	90	11.05
Curacao Tokyo 8¾ 1988	89¼	10.07
Curacao Tokyo 10¾ 1981	103¼	9.71
Cutler Hammer 8 1987	91½	9.19
Dana 8 1987	89½	9.51
Denmark Kingdom 7¾ 1990	82½	9.79
Denmark Mtge Bank 7¾ 1991	80½	10.01
Dundee 9¾ 1985	95	10.55
Escom 9¼ 1989	90½	10.37
Escom Floating Rate 1983	98¼	9.34
First Chicago 7 1980	95	8.56
First Pennsylvania 7¾ 1984	86	9.99
GATX 8¾ 1987	89½	9.77
Guardian Royal 8 1987	77	11.66
Hambros 7¾ 1987	79	10.93
ICI 7¾ 1993	81	9.85
International Util 8¼ 1982	92½	9.80
Legal & Gen Ass 7¾ 1988	73	13.04
Manchester 8¾ 1981	88	11.16
Mexico 8¾ 1991	85	10.99
Michelin 7½ 1988	82½	9.98
Mitsubishi 9 1989	98	9.24
Motorola 8 1987	94	8.83
Nat & Grindlays 7¾ 1987	78	11.10
National Coal Board 8¾ 1988	82	11.30
Nippon Fudosan 10¼ 1980	103	9.32
N. A. Rockwell 8¼ 1987	90	9.64
Occidental 7¾ 1984	86	9.99
Pacific Lighting 8 1988	89	9.51
Pacific Lighting 9¾ 1981	101½	8.88
Pennwalt 8 1987	91	9.37
Ralston Purina 7½ 1987	91½	8.67
Scanraff 7¾ 1990	88½	9.29
Scanraff 8¾ 1988	98	8.88
Shell 7½ 1987	95	8.46
Skandinaviska 10¾ 1981	104	9.35
Slough 8 1988	68	13.56
South Africa 8 1987	85	10.23
Standard Oil 8¼ 1980	101	7.85
Standard Oil 8½ 1988	98½	8.55
Standard Oil 8½ 1988	100	8.50
Sybron 8 1987	90	9.41
Tenneco 7¾ 1987	87	9.59
Textron 7¾ 1987	84½	10.00
Transocean Gulf 7½ 1987	91½	8.68
Transocean Gulf 7 1980	97½	7.58
Union Oil 7½ 1987	92	8.60
Venezuela 8¼ 1987	94½	8.90
Volvo 8 1987	83½	10.14
Wm Glyns 8¾ 1987	84	10.68
DM BONDS		
APEL (DM) 10 1981	105¼	8.78
Charter (DM) 6½ 1968/85	80½	10.33
Courtaulds (DM) 6¾ 1969/84	85¾	9.39
Denmark (DM) 9¼ 1989	101½	9.03
Escom (DM) 7 1973/88	72¼	11.17
Goodyear (DM) 6¾ 1972/87	90¼	8.01
ICI (DM) 8 1971/86	94	8.87
Mitsubishi Heavy (DM) 9¾ 1980	105½	8.14
Nat West (DM) 8 1988	92½	9.02
New Zealand (DM) 9¾ 1982	95½	11.17
Suedafrica (DM) 8½ 1970/85	92½	9.90
Sun Int Fin (DM) 7½ 1988	93	8.54

	Price	Conv Prem
$ CONVERTIBLES		
AMF 5 1987	64	95.27
American Express 4¼ 1987	84	45.46
Beatrice Foods 4½ 1992	90	28.41
Beatrice Foods 6¾ 1991	101	17.73
Beatrice Foods 4¾ 1993	92	6.65
Borden 5 1992	87	18.51
Borden 6¾ 1991	101	25.57
Broadway Hale 4¾ 1987	75	48.21
Carnation 4 1987	83	16.37
Chevron 5 1993	96	1.54
Cummins 6¾ 1986	85	131.99
Dart 4¾ 1987	83	48.37
Eastman Kodak 4½ 1988	111	15.51
Economic Labs 4¾ 1987	76	26.75
Eaton 5 1987	75	44.68
Ford 5 1988	71	32.48
Ford 6 1986	86	38.24
Gillette 4¾ 1987	73	89.94
Gould 5 1987	91	79.65
General Electric 4¼ 1987	86	47.76
Halliburton 4¼ 1987	127	0.31
Harris 5 1987	66	65.00
Honeywell 6 1986	75	302.07
ITT 3½ 1987	71	94.38
J. Ray McDermott 4¾ 1987	140	1.26
JP Morgan 4¼ 1987	111	0.43
Nabisco 5¼ 1988	89	27.50
Owens Illinois 4½ 1987	89	35.19
J. C. Penney 4½ 1987	75	32.99
Revlon 4¾ 1987	98	12.61
Rank Org 4¾ 1995	40	97.94
Sperry Rand 4¼ 1988	95	14.73
Squibb 4¼ 1987	79	38.02
Texaco 4¼ 1988	75	36.86
Union Carbide 4¾ 1982	109	0.14
Warner Lambert 4½ 1987	87	56.92
Xerox Corp 5 1988	73	80.83

DM=Deutschmark issue.
Source: Kidder, Peabody Securities, London.

Weekly list of fixed interest stocks

	Latest Price	Prev Week
Alb & Wilson 7¼ Deb '85-90	56½	56½
All Ply Hldgs 8½ Ln '93-97	44	44
All Brew 6¼ Deb '87-93	47*	48½*
Do 7¼ Ln '93-98	52*	49¾*
Ass Bis 7¾ Deb '90-95	51½	51½
AB Foods 5½ Ln '87-2002	17*	17p*
Assoc Elec 6 Deb '78-83	64	64¼
Do 6¾ Deb '86-91	53	52¼
AP Cement 7 Deb '88-93	50½*	50½
Do 9 Deb '92-97	63¾*	62*
BICC 7¾ Deb '90-95	56	56
BOC Int 5¾ Deb '81-86	57¾	57¾
Do Tonnage 9 '88	73¾	72½
Bank of Ireland 7 Ln '86-91	52*	52*
Barclays Bk 8¼ '86-93	61	60½
Barclays Int 7½ Ln '86-91	55*	55½*
Bass Char 5¾ Ln '87-92	31¾	31¼
Do 7¾ Ln '92-97	55¼	55¼
Do 8¼ Deb '87-92	61	61¾
Beecham 6 Ln '78-83	62¾	62
Do 8½ Ln '84-94	57¾*	57¾
Bibby 10¼ Deb '94-99	69¾	69¾
Birmid Qual 7 Ln 1987-92	51	50½
Boots 6 Ln '78-83	60¾*	60¾
Do 7¾ '88-93	55*	56½*
Bridon 8 Deb '88-93	55¼	55¼
Brit Am Tob 7 Ln 1982-87	61¾*	60
Brit Leyland 6 98-2003	28	28*
Do 7½ Ln '87-92	38*	37*
Do 8 Ln '98-2003	38*	34*
Brit Petrol 5 Deb '74-78	80¼	79½
Do 6 Deb '76-80	73½	72½
Brit Shoes 7 '80-82	71¼	71½
Brooke Bond 5½ Ln 2003-08	32½	32½
Burmah Oil 4½ Deb '68-81	58*	58*
Do 8¼ Ln '91-96	35½*	36¾*
Do 7½ Ln '81-86	36½	37
Burton Gp 9¼ Ln '98-2003	61*	61
Cadbury Schweppes 8¼ Ln '94-2004	55¼	55¼
Do 9 '88-93	62½	62½
Coats Pats 4½ Ln 2002-07	27	27
Do 7½ '90-95	49¼	48¼
Comm Union 7¾ Ln '88-93	55	54½
C'rage 6¾ Ln 2004-09	53	41½
Do 8 2nd Deb '89-94	52¼	52¼
Courtaulds 6½ Ln '94-96	46¼	46¼
Do 7 '82-87	54*	50¼*
Do 7¾ Deb '89-94	54¼*	53½*
Debenhams 6¼ 2nd Deb	40¼*	35¼*
Do 6½ Ln '86-91	43¼	43¼
Do 7¾ Ln 2002-7	47¼	47¼
Distillers 7¼ Ln 88-93	54	53¾
Dunlop 6¾ 2nd Deb 85-90	49¾*	50
Fall 7 Ln '87-92	51¼	50
English Elec 6 Deb '80-85	60	60
Esso 6 Deb '77-80	75¼	75¼
Fisons 6¼ 2nd Deb '84-89	52¼	51
Gallaher 6 Ln '85-85	68¼	68½
Gen Acc 7¾ '92-97	55¼	55
GEC 7¾ Ln '88-93	51½*	55*
Glaxo 7¾ Ln '88-95	25½	26½xD
Glynwed 10¾ Ln '94-99	63½*	63½*
GUS 5½ Ln	31¾	31¾
Do 7¼ Ln '85-88	57½	57½
Do 8¼ Ln '93-98	55	54¾
Hawker Sid 7¾ Deb '87-92	54¾	54¼
ICI 5½ Ln '94-2004	37½	36
Do 7¼ Ln '86-91	53	52
Do 8 '88-93	57	57
Imperial Gp 4 Ln '73-80	66	66
Do 7½ 2004-09	50	50½
Do 10¼ Ln '90-95	71¾	71¼
Initial Services 8 Ln '88-93	53¼	53¼
Int Stores 7¾ Ln 2003-08	40½	41½
Land Secs 8½ 1992-97	54½*	57¼
Laporte 10¼ Deb '94-99	73¼*	72
Lewis Trust 6½ 2nd '85-90	55*	55
Lucas J. 7¾ Ln '85-93	55*	55*
MEPC 8 Ln 2000-05	45½*	48¼
Metal Box 10½ Ln '92-97	73¼	73¼
Midland Bank 10¾ Ln '93-98	75	74½
Nat West Bank 9 Ln 1993	63¾	64¼
Ranks Hovis 6¼ Ln '76-81	67¾*	67¾*
Do 6¼ Ln '85-88	53¾	53
Do 8¾ Ln '91-96	59	59
Reckitt & Col 6¼ Deb '86-90	56¼	55¼
Reed Int 7¼ Deb '90-95	52¾	52¾
Renold 7¾ Ln '92-97	50¾*	50¾*
Reyrolle Parsons 7¾ Ln '88-93	50½*	50½*
Rugby Port Cem 6 '93-98	40	40
Do 7¾ Ln '93-98	45	45
Sainsbury (J.) 7¼ Deb '87-92	53*	53*
Scot Newcastle 4½ Deb '71-75	96½	91½
Do 7½ Deb '89-94	58¼	58¼
Slater Walker 9½ Ln '91-96	65*	66
Slough Est 7½ Deb '85-90	56¾	56¾
Smith (W. H.) 5½ Ln	36	36
Spillers 7 Deb '78-83	69¼*	66¾*
Do 7¾ Deb '84-89	55½*	55½*
Tate & Lyle 7¾ Deb '89-94	52½	52½
Thomson Org 5 Deb '84-94	41¼	41¼
Do 7¾ Ln '87-92	51	51
Tilling (T.) 8½ Ln '89-94	58¾	59
Tootal 4¾ Perp Deb	25	25
Do 6¾ '85-90	55½	55½
Truman Ltd 7¼ Deb '88-93	53	53
Do 10¼ Deb '91-96	69	69
Tube Invest 9 Ln '89-94	58	58
Turner & Newall 8 Ln '87-92	51½	51½
UDS 7¾ Deb '88-90	58½	58½
Do 10¼ Deb '89-94	75¼	75¼
Unigate 6½ Ln '91-96	44¾*	46
Do 7¾ Deb '86-91	58	57¼
Unilever 6¾ Deb '85-88	57*	61½
Watney 7¼ Ln '94-99	48¼*	47¼*
Do 8 Ln '90-95	54½*	55*
Whitbread 7¾ Ln '95-99	50¼	50¼
Do 7½ Ln '96-2000	50½	50¾
Do 9 Ln '97-2001	56½*	56½
CONVERTIBLES		
Adwest 8 '89-94	78	78
AB Foods 7½ '94-2004	165	157½
BPB 7¼ '89-94	69	69
Bowring C. T. 5 1981	74½	73½
Brittain's 10½ '91-96	80	80
Brooke Bond 7 2003-8	47	47
GEC 7¼ '87-92	122	116
Grand Met 10 '91-96	86½*	79
Guest Keen 6½ '88-93	45½	45½
Hepworth Ceramic 11 1976	94	94
Ind and Gen 4½ '94-99	77*	79½*
Lucas, J. 6¾ 1980	69	69
MEPC 5 '89-94	74½*	68
Midland Bank 7½ '83-93	76½*	77½
Ready Mixed 8½ 1978	86	86
Romney Tst 4¾ '73-98	67	67
Stock Conv 5½ 1984	120	120*
Temple Bar 5¾ '85-90	70	70
Trust Hse Forte 5¾ '83	85	85

*Ex dividend.

Bank Base Rates

Barclays Bank	10%
C. Hoare & Co	*10%
Lloyds Bank	10%
Midland Bank	10%
Nat Westminster	10%
Shenley Trust	11½%
20th Century Bank	11½%
Williams & Glyn's	10%

* 7-day deposits on sums of £10,000 and under, 6½%, up to £25,000, 7%, over £25,000, 7¼%.

Bell Bros—Emu Wine

Bell Bros Holdings of Western Australia has increased its stake in Emu Wine from 19.9 per cent on August 6 to 22.56 per cent. In 1974 Emu was a subsidiary of Chaplin Holdings, but after this company's liquidation, its 51.1 per cent holding was distributed in cash to Chaplin shareholders. Emu is based in London, but has its vineyards in Australia.

More share prices

The following will be added to The London and Regional Share Price List tomorrow and will be published daily in Business News:—

Commercial and Industrial:
Wood & Sons Hldgs
Smith, D. S.

Unit Trust Prices—change on the week

Prev W'end Offer	Ch'ge on Week	Trust	Current Bid	Current Offer	Yield
		Authorised Unit Trusts			
		Abacus Arbuthnot Ltd.			
		Barnett Hse, Fountain St, Man 2. 061-236 9775			
29.9	+1.1	Giants	28.2	30.0	4.00
[illegible]					
21.9	+0.9	Financial ITU	21.4	22.8	4.11
90.5	−1.1	Henderson Gr	94.0	95.4	3.35
32.8	+1.3	High Income	32.1	34.1	11.00
21.3	+0.8	Inc & Assets	19.9	22.1	6.53
24.5	+0.5	International	23.4	25.0	3.51
34.3	+3.0	Nth American	34.9	37.3	2.80
26.7	+0.4	Oil & Nat Res	24.9	27.1	3.94
[illegible]					
		Reliance Unit Managers Ltd.			
		Reliance Hse, Mt Ephraim, Tun Wells. 0892 22271			
37.2	+0.9	Opp Accum (2)	36.0	38.1	4.73
		Save & Prosper Group.			
		4 Great St Helen's, EC3P 3EP. 01-588 1717			
		Tyndall Managers Ltd.			
		18 Canynge Rd, Bristol. 0272 32241			
73.0	+4.4	Income	73.6	77.4	7.45
113.8	+6.8	Do Accum	114.8	120.9	7.42
83.8	+4.4	Capital	84.0	88.2	4.51
107.8	+5.6	Do Accum	109.0	113.4	4.51
63.8	+4.4	Canynge Fund	64.8	68.2	4.68
[illegible]					
	+0.6	King & Shaxson	117.7	120.1	..
	+0.5	Do Gov Sec Bd	99.1	104.8	..
[illegible]					
		Trident Life.			
		Renslade Hse, Gloucester			
[illegible]					

Stock Exchange prices

Capitalization & week's change

ACCOUNT DAYS: Dealings Began, Aug 22. Dealings End, Sept 5. § Contango Day, Sept 8. Settlement Day, Sept 16.

§ Forward bargains are permitted on two previous days.

(Current market price multiplied by the number of shares in issue for the stock quoted)

BRITISH FUNDS

COMMERCIAL AND INDUSTRIAL

A — B

Capitalization £	Company	Price last Friday	Ch'ge on week	Gross div pence	Div yld %	P/E
5,992,000	AAH	130		12.7	10.4	5.1
2,031,000	AB Electronic	31	-1	6.1	19.8	2.1
800,000	AC Cars	40	..	1.4	3.4	23.4
14.4m	AD Intl	23	-1	3.5	3.6	10.5
1,663,000	AGB Research	35	• -1	3.3	9.5	5.3
21.0m	APV Hldgs	180	-7	13.0	7.2	4.9
8,962,000	AVP Ind	46½	-½	3.7	8.0	4.1
7,380,000	Aaronson Bros	38	• -1	2.4	6.3	9.6
258,000	Abrasives Int	12	..	2.2	17.9	4.1
1,320,000	Acrow	75	-3	5.7	7.6	8.7
16.8m	Do A	71	-4	5.7	8.0	8.3
3,241,000	Adams Food	19	..	1.6	8.5	10.0
1,246,000	Adda Int	7	..	..	..	..
6,484,000	Adwest Group	93	..	9.2b	9.9	5.1
296,000	Aeron't & Gen	18½	..	1.5	8.1	9.0
800,000	Airfix Ind	100	..	4.3	4.3	8.4
6,923,000	Do NV	59	-8½	4.3	7.3	5.6
65.1m	Albright & W	58		5.3	9.1	4.2
5,720,000	Alcan 10½%	£71½	-¾	1050	14.7	..
7,980,000	Do 9% Cnv	£66½	..	900	13.5	..
6,969,000	Allen E.	47	-1	5.3	11.3	4.4
791,000	Allen W. G.	26	+1	3.5	13.3	4.6
8,101,000	Alliance Alders	33	-2½	1.8	5.4	8.1
8,600,000	Allied Colloids	92	-5	2.3	2.5	9.5
1,440,000	Allied Insulators	15	• -1	1.6	10.9	4.9
493,000	Allied Plant	23	• +½	2.0b	8.7	18.3
12.9m	Allied Polymer	73	-6	6.4	8.2	6.4
4,767,000	Allied Retailers	61	-5	6.8	11.1	5.9
1,360,000	Alpine Hldgs	13½	-½	..	..	8.1
10.6m	Amal Metal	172	• -1	18.6	10.8	1.9
3,756,000	Amal Power	36½	-2	4.7	12.9	4.4
951,000	Amber Day	26	..	2.2	8.3	3.5
152,000	Amber Ind Hldgs	7	..	0.6	8.9	4.0
880,000	Anchor Chem	36	-2	5.2	14.6	4.5
9,878,000	Anderson Strath	125	-6	13.1b	10.5	6.3
195.1m	Anglo Amer Ind	770	-10	35.5	4.6	10.6
855,000	Ang Swiss Hldgs	33	-1	4.7	14.3	3.0
22.3m	Anglo-Thai Corp	109	+1	2.0	1.8	5.1
616,000	Anglowest	25	..	2.5	10.0	10.7
2,016,000	Appleyard	37	-1	5.5	14.8	5.3
3,155,000	Aquascutum 'A'	19	+½	1.7	9.2	8.2
1,941,000	Arlington Mtr	57	..	10.0	14.9	5.6
7,543,000	Armitage Shanks	45½	-6½	6.1	13.4	9.8
5,477,000	Armst Equip	35	+5	2.4	6.2	6.8

C — E

Capitalization £	Company	Price last Friday	Ch'ge on week	Gross div pence	Div yld %	P/E
47.6m	Costain R	183	+21	6.0	3.1	2.8
720,000	Countryside	13	..	..	..	3.3
1,318,000	Courts (Furn)	62	..	4.0	6.4	5.6
7,600,000	Do A-NV	57	..	4.0	4.4	5.0
625,000	Court Hse Ldn	32	f ..	1.9	6.0	4.0
341.5m	Courtaulds	125	+3	8.5	6.8	4.2
1,042,000	Courtney Pope	43	..	4.2b	11.5	4.2
963,000	C van de Groot	52	• -1	5.0b	9.6	4.5
1,241,000	Do A	48	• -1	5.0b	10.4	1.3
1,824,000	Cowie T.	16	..	2.0	12.8	6.9
609,000	Cox Ind	13	f ..	..	..	2.4
2,469,000	Crane Fruehauf	16	-1	1.2	7.9	2.3
1,296,000	Crellon Hldgs	29	-4	4.2b	14.9	3.5
3,625,000	Crest Nicholson	34	• +1	4.1	12.0	10.9
66.6m	Croda Int	60½	-½	2.9b	4.2	7.9
760,000	Cronite Grp	27	..	3.4	12.5	8.9
416,000	Cropper J.	26	..	2.6	10.2	2.6
840,000	Crossland R	10½	..	1.6	15.3	4.6
5,345,000	Crossley Bldg	30	+5	5.6b	11.6	5.4
2,615,000	Crouch D.	27	• +2	3.8	13.9	7.2
1,040,000	Crouch Grp	26		3.7	14.2	4.5
1,060,000	Crowther J.	30	+2	0.8	2.5	10.6
970,000	Culter Guard	13	-½			..
2,070,000	Cum'ins En Cv	£46	..	775	8.2	..
2,028,000	Cuthbert R. & G.	29	..	2.5	8.5	6.1
69.1m	Cutler Hammer	£20¼	+1¼	67.6	3.3	11.1
2,542,000	Dale Electric	26	..	6.2	6.4	2.1
1,287,000	Danish Bacon 'A'	32	+4	2.6	10.4	3.4
1,136,000	Danks Gowerton	30	• ..	3.0	10.0	3.0
685,000	Dartmouth Inv	8½	..	0.9	10.9	5.9
2,201,000	Davies & New	73	..	8.4	12.5	6.3
3,629,000	Davis G.	30	..	4.1	13.6	7.1
25.7m	Davy Int	69	+3	6.6b	9.6	7.5
2,547,000	Dawson & Barfos	29	• ..	2.2	3.7	12.0
1,720,000	Dawson J.	47	+3	6.5	14.5	5.1
77.7m	De Beers Ind	670	..	37.9	5.7	15.3
60.0m	Debenhams	75	+6	6.0	8.1	66.4
22.6m	De La Rue	151	+2	16.3	10.9	6.7
13.7m	Decca	190	+6	12.1	6.4	4.8
21.7m	Do A	169	+6	12.1	6.3	4.8
475,000	Delson	19	..	2.1	11.8	3.0
78.1m	Delta Metal	57	+4	6.3b	11.0	7.0
4,213,000	Denbyware	98	..	7.7	7.8	6.8
9,643,000	De Vere Hotels	86	..	5.4	6.3	26.1
2,256,000	Dew G.	71	-1	6.3	8.6	3.9
79.0m	DRG	97	+2	6.8	9.0	8.0
1,500,000	Dimplex Ind	7½	-1			

F — H

I — L

M — N

O — S

T — Z

COMMONWEALTH AND FOREIGN

LOCAL AUTHORITIES

FOREIGN STOCKS

DOLLAR STOCKS

BANKS AND DISCOUNTS

BREWERIES AND DISTILLERIES

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

OIL

PROPERTY

RUBBER

TEA

MISCELLANEOUS

SHIPPING

MINES

• Ex dividend. a Ex all. b Forecast dividend. c Corrected price. e Interim payment passed. f Price at suspension. g Dividend and yield exclude a special payment. h Bid for company. k Pre-merger figures. n Forecast earnings. p Ex capital distribution. r Ex rights. s Ex scrip or share split. t Tax free. y Price adjusted for late dealings. .. No significant data.

THE TIMES SHARE INDICES

The Times Share Indices for [illegible] (base date June 2, 1964 original base date June 2, 1959):—

	Index No. Latest	Div. Yield %	Earnings Yield %	Ch'ge over week
The Times Industrial Share Index	137.19	7.17	13.93	+2.49
Largest Coys.	137.91	6.75	13.19	+3.15
Smaller Coys.	134.47	8.21	16.37	+6.[illegible]
Capital Goods	132.09	7.95	17.57	+3.42
Consumer Goods	137.18	7.04	12.25	+5.72
Store Shares	126.96	7.45	7.35	+5.19
Largest financial shares	176.56	5.65	—	+7.15
Largest financial and industrial shares	146.29	6.56	—	+3.72
Commodity shares	254.90	4.37	12.95	+10.[illegible]
Gold Mining shares	603.57	8.35	8.20	+1.[illegible]
Industrial debenture stocks	75.71	7.95*	—	+0.13
Industrial preference stocks	39.93	11.41*	—	-0.03
3½% War Loan	25½	14.02*	—	-¼

A record of The Times Industrial Share Indices is given below:—

	High	Low
All time	[illegible]	[illegible]
1975	[illegible]	[illegible]
1974	[illegible]	[illegible]
1973	[illegible]	[illegible]
1972	[illegible]	[illegible]
1971	[illegible]	[illegible]
1970	[illegible]	[illegible]

* Flat interest yield.

Secretarial and General Appointments

GENERAL

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Intelligent girl in her late teens or early twenties required for a non-secretarial trainee position in a City Stockbrokers. Opportunity to pursue a career in the Stock Exchange.

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preferable female

£3,900

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Do you enjoy contact with people? Are you capable of setting up an exhibition? This international organization has a modern office in W.C.1 for an ambitious and stylish girl who wants to learn about the import/export business and has good secretarial skills. Exercise your initiative and call Patricia Litchfield today for appointment. 734 7186. OFFICE OVERLOAD, 205 Regent Street, W.1.

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Milldon & Co. offers equal career opportunities to high earning females. Good basic professional training and job satisfaction. Our consultants sell an investment service to businessmen. Valuable company introductions are supplied. If you are career minded, under 30 and need to earn in excess of £4,000 p.a. Ring Mr Gordon. 01-839 4603.

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SECRETARY to the MANAGING DIRECTOR OF STRATSTONE

The Managing Director of Stratstone, the Daimler Car Distributors, requires an experienced Secretary.

Good shorthand and typing speeds are essential and a substantial salary will be paid.

The offices in the Mayfair showrooms in Berkeley Street have been newly designed and provide own office and excellent working conditions.

Please apply to Miss Linda Monmouth

STRATSTONE LTD. 40 Berkeley Street, London, W.1.

Telephone 01-629 4404

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Experienced female Bookkeeper/P.A. required for Mayfair office, to assist in dealing with the administrative requirements of various companies.

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UP TO £2,800

Exceptional opening at world famous company headquarters, for self-motivated, intelligent and discreet young woman, aged 23-28, with sound secretarial and organizing skills, assisting small personnel team, handling wide range of international recruiting activities. Offers enormous scope, interest and job involvement plus good career prospects. Ring Joanna Knight, Executive Consultant. 01-437 9505.

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TOP APPOINTMENTS

SECRETARIAL

P.A./SECRETARY

c. £2,600 p.a.

PARTNER of W.E. Firm of Chartered Accountants (close to Bond Street Tube) is looking for a young lady (25+) to assist him to run department of approximately 60 staff. Normal secretarial skills necessary, but more important is a flair for admin., pleasant personality and good sense of humour.

Own air-conditioned office, I.B.M. golf ball, hours 9.30 a.m.-5.30 p.m., 3 weeks' hols. in year, L.V.s, Xmas bonus and two salary reviews p.a.

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JOHNNIE WALKER

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SHORTHAND TYPIST

For our advertising department. Age over 21. Hours 9.15-5 p.m. 4 weeks' holiday and staff dining room. Salary a.a.e. Situated within easy reach of Green Park or Piccadilly Tube.

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requires enthusiastic secretary for interesting and varied work with a group of architects in this lively practice. Knowledge of technical terms an advantage *but not* essential; reliability and efficiency essential. Salary £2,300 + LVs, 4 weeks holidays.

Please ring or write to The Secretary, SHANKLAND COX PARTNERSHIP, 16 Bedford Square WC1B 3JH. 323 3288.

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£2,500 minimum

Medium-sized re-insurance brokers with modern, friendly office in Holborn require a first-class girl over 20 with at least 2 years' experience to fill this busy position. Non-contributory pension scheme and health scheme.

Phone Sue Green, 01-242 1577

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required for expanding American company in W.1. Intelligence and personality more important than experience; would suit college leaver, aged 18-21. Minimum six O levels. 4 × 18 switchboard, will teach telex, IBM executive. Sense of humour essential to enjoy lively atmosphere in our modern offices. Excellent opportunity for girl who wants to go far in...

TOP MANAGEMENT RECORD CO.

needs a first-class P.A. Secretary to become involved in the crazy world of pop music. Experience or a real interest in the business essential. Must be able to stay cool when in contact with

FAMOUS POP STARS

ENTHUSIASTIC P.A. AROUND £2,800

Really nice job for an experienced Secretary P.A. who can cope with interesting admin. duties, possibly with a supervisory background, and certainly able to get on well with people at all levels. Very charming boss who heads busy property department. Bi-annual bonus. Miss Kaye. CHALLONERS, 10 Foster Lane, E.C.2. 606 4366.

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Tourism, Press Conferences, Writing Releases, Promotion prospects. This large well known P.R. company offers all for limited secretarial skills. You will be dealing with international visitors and meeting well known celebrities. For more information, call Sandra Gibbons now—734 0911 DRAKE PERSONNEL, 225 Regent Street, W.1.

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Experience, Intelligence, Competence, Enthusiasm, Personality

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GRADUATE GIRL TEMPORARIES

the better jobs

Don't YOU want to join them?

Ring Joy Berger or Ruth Moffett on 584 3615

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SECs., S/Ts., A/Ts., C/Ts.

IMMEDIATE WORK CLOSE:

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Moorgate area

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Call Sue Bowmer to ensure your booking.

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From Merchant Bankers in the City to Politics in Westminster through a great range of commercial, professional and other employers we have career openings for girls and women with shorthand, audio or other office skills. Please call our only address,

STELLA FISHER BUREAU

110/111 Strand, WC2

01-836 6644

(Opposite Strand Palace Hotel)

Please alter your records!

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Tel: 01-437 3103

CAN PART TIME CAREERS HELP YOU

SECRETARY PUBLISHING £1,900-£2,300

18 to 25 year old required by small friendly publishing firm in Pall Mall. General office duties, telephone inquiries, production of magazine and year books. Responsibility and personal involvement guaranteed. Phone:

ROSEMARY PEACH

EXPORT SALES

We need an Assistant Co-ordinator Secretary to look after sales and ... to Southern Europe and ... Ideal opportunity for ... secretary seeking more responsibility and involvement. L.V.s., company scheme, 4 weeks' holiday. Please write with details of experience and present ... to:

SECRETARIAL

Secretary

Would you like to work for Time Life Books ?

u are intelligent, quick, accurate and hard-working offer you an interesting and varied job. You should good standard of education, general secretarial ex- e and fast speeds.

g conditions are excellent in modern Bond Street friendly atmosphere, good salary and staff cafeteria.

Please ring Ruth Dicksee on 499 4080

THE GRIND? There's a ased in W.1 that needs a Sec.'s skills to help on raising side. Hard work Fun. And never ever £2,500 ish. ACORN

AMERICAN SECTION of City Brokers need Secretary/P.A. of extrovert personality. Good skills essential. Client contact and travel arrangements. £2,700 plus exceptional fringe benefits. Ring Andrea, 626 8621. Jobs Galore.

...siness to Business

INESS NOTICES

are recommended to take professional advice entering obligations.

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GUERNSEY COMPANY FOR SALE

with or without premises. Representative in Guernsey to discuss details Friday 5th-Saturday 13th of September inclusive. Please write: "L.M.H." C.o. National Westminster Bank Ltd., P.O. Box 55, 35 High Street, St. Peter Port, Guernsey, Channel Islands.

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...ther details HAYWARDS HEATH 50774 (eves.) or write WILLIAMS 26A The Broadway, Haywards Heath, Sussex.

BUSINESS SERVICES

OFFICE EQUIPMENT

TRANSFER BOOKS

JOHNSON GROUP CLEANERS PROPERTIES LIMITED

Notice is hereby given that the REGISTER of Stockholders of the 5¼% First Mortgage Debenture Stock 1964 85 in the above Company will be CLOSED from the 16th September 1975 to the 30th September 1975, both dates inclusive.

J. L. CROCKATT, Chairman.
A. M. THOMSON, Secretary.
Mildmay Road, Bootle, Merseyside L20 5EW.

TRANSFER BOOKS

BUSINESS TRAVEL

LEGAL NOTICES

COPYRIGHT ACT 1956

...The publisher invites any persons claiming to be the owner of the copyright in the said unpublished poems to send particulars of his claim to the publisher at the above address.

Dated this 1st day of September, 1975.

GEORGE STEPHENSON
Mid Northumberland Arts Group

TINACREST LIMITED.

Notice is hereby given, pursuant to Section 293 of The Companies Act, 1948, that a MEETING of the CREDITORS of this Company will be held at the offices of Ralnsbury Moss & Partners, Imperial House, 15/19 Kingsway, London, W.C.2, on Friday, 12th September, 1975, at 12 noon, for the purposes mentioned in Sections 294 and 295 of the said Act.

K. GOURGEY, Director.

CONTRACTS & TENDERS

EGYPTIAN RAILWAYS

SUPPLY OF: Steel Clips
ADJ. OF: 18/10/1975
REF. NO.: 302 G8/92

Tenders will be received at the Purchases and Stores Department, Railway's Building Fifth Floor-Over Shoubra Subway, Shoubra, Cairo, up to 13.00, on the 18.10.1975 for the supply of the above mentioned materials.

Copy of the Conditions may be obtained from the said Department, Cairo.

Tenders will be accepted only from firms whose Country of origin is member of International Bank for Reconstruction and Development or Switzerland.

Conditions will be issued to Commercial Local Agents who are already noted on Commercial Agents Register prepared in the Ministry of Supply provised these agents submit documents attesting their registration officially according to Law 107/1961 which their applications together with documents attesting that they are agents of foreign firms and the authority and the limit of this agency. Conditions may also be issued to companies of Public Sector specialized in import.

Conditions may also be issued to persons resident in the A.R.E. to be sent to foreign firms provided they certify in their applications that they do not act in any commercial agents duties.

They should also submit the documents attesting that the foreign firm requested them to obtain the conditions.

Price of conditions 1000 m/ms. plus postage charges to be paid in advance.

Applications should be submitted on stamped paper of 125 m/ms.

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA
Ministry of Industry and Energy

SONATRACH

INTERNATIONAL INVITATION TO TENDER

International tenders are invited for the establishing of a laboratory for applied research in the field of lubricants.

The project comprises:

- the preparation of building plans for the laboratory and associated services;
- the supply of equipment required for:
  - the operation of test benches;
  - the physical and chemical analysis of lubricant products;
  - the operation of auxiliary services;
- *training of operative personnel.*

Specifications may be inspected as from the opening date at Sonatrach representative offices in the following countries:

- FRANCE: 105 avenue Raymond-Poincaré, Paris-16e;
- GERMANY: Maria Theresiastrasse 6, Munich 80;
- ITALY: 19 via Victor-Pizani, Milan TF;
- USA: 3419 'R' Street NW4, Washington;
- SPAIN: Grous via Carlos III 84, Torre sur Edificio Trade 7, Barcelona;

and the Algerian Embassies at Shibusawa Big, 1 Ban 21 Gachishiba, Kden, Minato-KU, Tokyo, and at 6 Hyde Park Gate, London, SW7.

Interested firms should submit their bids to the technical department of the Arzew Refinery B.P., 37 Arzew (Algeria), in two sealed envelopes. The object of the tender should be marked on the outer of the two envelopes.

Bids must be received by not later than one month from the date of publication of this invitation to tender.

LEGAL NOTICES

PUBLIC NOTICES

Appointments Vacant

GENERAL VACANCIES

YOUNG BOOKKEEPER TO "GET ON WITH THE JOB" £2,500 NEG

STILL LOOKING

LOOKING FOR A ONE YEAR POST BEFORE ENTERING UNIVERSITY?

THE ACTORS COMPANY requires ADMINISTRATOR

GENERAL VACANCIES

THE NATIONAL TRUST

CIPFA

LEGAL APPOINTMENTS

ACCOUNTANCY

STAFF ACCOUNTANT Preferable female £3,500

DOMESTIC SITUATIONS

HAMPSTEAD, LONDON.

RESIDENT HOUSEKEEPER

Write Box 0702 S, The Times.

PROFESSIONAL MATURE NANNY

NANNY

DOMESTIC SITUATIONS

Courtauld Institute of Art UNIVERSITY OF LONDON

RESIDENT CARETAKER

HOUSEKEEPER/NON-RESIDENT

VALET

REQUIRED

MOTOR CARS

BLACK MINI 1275 G.T., 1975 (P)

ASTON MARTIN DB6 MK II

VOLVO 244 G.L.

PEUGEOT 504

£1,800

WANTED

ROLLS-ROYCE AND BENTLEY

OF INTEREST TO ARAB SHEIKS!

SITUATIONS WANTED

FLAT SHARING

FLAT SHARING

RENTALS

RENTALS

FERRIER & DAVIES

AROUND TOWN FLATS

HIGHGATE

SCOTT GILROY

BELGRAVIA

STAFF RESIDENCE ACCOMMODATION

SERVICES

(Continued on page 20)

...adcasting

...t affairs may now resume as Panorama returns to supervise them (BBC1 ...einforced from now on by the new Tonight programme dealing with ditto 11.0). Regan, that toughest of London cops, is back (ITV 9.0) and there is a ...oap opera of hospital life that concentrates this time on the nurses (BBC1 7.20). ...is a record of the Zaire Expedition (ITV 8.0) as well as a sample of Brazilian ...C2 9.0) Goodbye Columbus (BBC1 9.25) satirizes American life while Centre BBC2 9.50) probes the mind of the terrorist. Cricket and the Trades Union ...ess punctuate the day.—L.B.

...Cricket: Fourth Test. ...ndy Pandy. 1.45-1.53, ...5-4.15, Cricket. 4.25, ...l. 4.50, Screen Test. Double Deckers. 5.40, ...louse. ...ws. 6.00, Nationwide. ...Goodies. ...zels: Arrival, with ...na Fullerton, Erin...

BBC 2

7.05-7.55 am, Open University. Modulation and Noise. 7.30-7.55, Educational Decision-making. 11.00-11.25, Play School. 4.30 pm, Cricket: Fourth Test. 6.40-7.05, Open University. Maths.
7.30 Newsday.
7.45 Look, Stranger: What does the wind do when it...

Thames

10.20 am, The Houndcats. 10.40, A Big Country. 11.15, Spiderman. 11.35, Galloping Gourmet. 12.00, Bush Boy. 12.30 pm, Sally and Jake. 12.40, Hickory House. 1.00, News. 1.20, Lunchtime Today. 1.30, Gambit. 2.00, Good Afternoon. 2.30, Looks Familiar. 3.00, Trades Union Congress. 4.25, Clapperboard...

ATV

12.40 pm, Thames. 1.20, ATV News. 1.30, Thames. 5.20, Around the World in 80 Days. 5.50, News. 6.00, ATV Today. 6.45, Thames. 10.30, Platform for Today. 11.05-11.35, A Place in Europe: Goodwood House.

Southern

Granada

Scottish

Ulster

Radio

HTV

Westward

Border

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To place an advertisement in any of these categories, tel.

01-837 3311

Manchester office

061-834 1234

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Entertainments	5
Financial	19
Flat Sharing	19
Motor Cars	19
Property	6
Rentals	19
Secretarial and General Appointments	18 and 19
Services	19 and 20
Situations Wanted	19

Box No replies should be addressed to:

The Times, PO Box 7, New Printing House Square, Gray's Inn Road, London WC1X 8EZ.

Deadline for cancellations and alterations to copy (except for proofed advertisements) is 13.00 hrs prior to the day of publication. For Monday's issue the deadline is 12 noon Saturday. On all cancellations a Stop Number will be issued to the advertiser. On any subsequent queries regarding the cancellation, this Stop Number must be quoted.

PLEASE CHECK YOUR AD. We make every effort to avoid errors in advertisements. Each one is carefully checked and proof read. When thousands of advertisements are handled each day mistakes do occur and we ask therefore that you check your ad and, if you spot an error, report it to the Classified Queries department immediately by telephoning 01-837 1234 (Ext 7180). We regret that we cannot be responsible for more than one day's incorrect insertion if you do not.

"ENLARGE the place of thy tent . . . spare not, lengthen thy cords, and strengthen thy stakes."—Isaiah 54: 2.

BIRTHS

BALL.—On August 27th at Colchester Maternity Hospital, to Andrea (née Bromage) and Graham Ball—a daughter.

CRESSALL.—On August 30th, in Bermuda, to Susan and John—a daughter, a sister for Justin and Sophie.

[illegible]

DEATHS

CLIFTON.—On August 25th, 1975, in hospital, Frederick William Clifton, M.C., of Canonbury, London, N.1. and formerly of Shanghai, China, aged 80 years. Cremation at Golders Green Crematorium, on Thursday, September 4th, at 3.15 p.m. Flowers may be sent to Messrs. Cooksey and Son, 266 Upper Street, London, N.1.

CUMBERBIRCH.—On August 19th in hospital at Guildford, aged 95 years, Charlotte Therese, former Principal of Kingston-upon-Hull College of Education (1919-1937), Chaplain's Assistant R.A.F. (1939-1945). Service at St. Peter's Church, Cambridge Road, Harrogate, on Wednesday September 3rd at 2.30 p.m., followed by interment at Stonefall Cemetery, Harrogate, at 3 p.m. Resting in the private chapel of Walker's Funeral Service (Harrogate) Ltd., Springfield Avenue, where floral tributes may be sent before 1.30 p.m.

DOORIS.—On August 26th, in Exeter, New Hampshire, U.S.A., Emeline Sue, widow of William G. Dooris, one time of Nasik and Bikaner, India, and adored mother of Marie Carol (Babs) Rutherford, 42 Manor Road, Henley-on-Thames.

ENTWISTLE.—On 29th August, 1975, at a Hythe Nursing Home, William, dearly loved father of Gwen and William. Private cremation. No letters or flowers by request.

FREWEN.—On Saturday, August 30th, 1975, Admiral Sir John Byng Frewen, G.C.B., of Clench Green, Northiam, Sussex, passed away suddenly and peacefully in Rye and Winchelsea Memorial Hospital. Funeral arrangements to be announced later.

GRAY, MAJOR ELWIN CLIVE, late Seaforth Highlanders, on August 29, Father of Angus and Anna. Funeral private. Family flowers only.

LEAVEY.—On 30th August, George Edwin, aged 92, peacefully, at his home, Conkwell, Bradford-on-Avon, Wilts.

MERRICKS.—On 30th August, 1975, as a result of an accident in her garden at the Manor, Icklesham, Margie (nee Hirt), wife of the late Jack Merricks and mother of Peter and Philip. Funeral arrangements will be announced later.

RICHARDSON.—On August 28th, Justin Richardson, O.B.E., aged 75, of Kingsbarn, Headley, Surrey. For fifty years the dearly loved and loving husband of Margery; devoted father of Roger and Prudence, and adored by his five grandchildren. All friends welcome at funeral service, 12.30 p.m., Monday, September 1st, at Golders Green Crematorium. No flowers, please.

SCOTT, ALEXANDER NIGEL, suddenly on 30th August, beloved husband and father. Funeral private, no letters, please.

STAPLEDON.—On August 30th, at The Old Rectory, Littleham, Bideford, Devon, Sir Robert Stapledon, K.C., M.G., C.B.E., aged 60. Funeral private, family flowers only.

TINEY.—On 31st August, tragically, in Harrow, Frederick Edward, widower of Phyllis and loved father of Margaret, Rosemary and John, father-in-law of Peter and Jennifer and grandad of David and Michael. Funeral enquiries to 01-422 6621.

WALKER.—On 27th August suddenly in France John David, aged 33, husband of Catherine, father of Naomi and Marianne, son of David and Anna and brother of [illegible]

[illegible]

FUNERAL

[illegible]

MEMORIAL SERVICES

[illegible]

IN MEMORIAM

[illegible]

FUNERAL ARRANGEMENTS

J. H. KENYON Ltd.
FUNERAL DIRECTORS
Day or Night Service
Private Chapels
49 Edgware Road, W.2.
01-723 3277
49 Marloes Road, W.8.
01-937 0757

PUGH & CARR, KNIGHTSBRIDGE, floristry for all occasions. 118 Knightsbridge. 584 8256.

FORTHCOMING EVENTS

KRISHNAMURTI

the well-known revolutionary religious speaker and educator, will be holding public talks and discussion meetings at Brockwood Park Educational Centre, Bramdean, Nr. Alresford, Hants, at 11 a.m. on September 6, 7, 9, 11, 13 and 14. No tickets needed. For details of train and coach arrangements from London, Please telephone Bramdean 228.

ANNOUNCEMENTS

"I should like you to know how very much I have appreciated your great kindness and generosity to me over the past years . . ."

wrote the 91-year-old dependent widowed mother of a young Sergeant killed on flying operations during the Second World War. A weekly maintenance grant from the Fund enables her to have a special ground floor room in an Eventide Home.

To aid RAF widows, orphans, dependants, disabled and others in need, the Fund must already spend over £1,500,000 every year, and calls on it increase steadily. If you remember the RAF and the debt we all owe, please send a donation now and remember us in your will.

THE ROYAL AIR FORCE BENEVOLENT FUND, 67 Portland Place, London, W.1.

The Times Guide to Conference Facilities

Our very successful Conference feature appears with editorial, in The Times on Monday, September 15th.

If you would like us to guide our Conference organizers to your venue facilities, please ring Avril Pearce or Diane Feltham on 01-278 9351 for details and advertisement rates.

CANCER RESEARCH CAMPAIGN

is the largest single supporter in the UK of research into all forms of cancer.

[illegible]

PERSONAL COLUMNS

ALSO ON PAGE 1[illegible]

ANNOUNCEMENTS

URGENT—

Are there any kind friends willing to make short-term interest-free loans to the Marie Curie Foundation to help finance the completion of two half-finished Homes for 100 terminal cancer sufferers? Min. £5-Max. £[illegible] Guaranteed repayment at 6, 12 or 24 months or at [illegible] days' notice.

Details from the Secretary, 124 Sloane Street, S.W.[illegible] (01-730 9158).

IN DEED IT [illegible]

EXCHANGE

Somerset stone detached house in attractive historic village: 2 double, 2 single bedrooms, bathroom, sitting room, dining room, kitchen, 2 garages, walled garden, C.H. Shepton Mallett area. For your London flat/house: 2/3 bedrooms. Central, South, Southwest preferred. Differentials considered. 573 7849, after 7 pm.

ATTENTION REGISTERED CHARITIES

House and garden in excellent condition in West Country available rent free for charitable use. Staff available. Applications in writing to

MR. N. ODGERS, "Riveadell", Bathampton Lane, Bath BA2 6ST.

THE LEAGUE AGAINST CRUEL SPORTS is one of the leading societies campaigning for the protection of wild animals. Members, donations, legacies and gifts of land for sanctuaries welcomed.—Write to the Secretary at 1 Reform Row, London N17 9TW.

D.J.G. AND M.G., admiring congratulations and love on your Pearl Wedding.—S.G.

SPORT AND RECREATION

LEISURE SPORT

INTERNATIONAL WATER FESTIVAL

30th August-7th September 1975, 10 a.m.-7.30 p.m. daily
Entertainment for the Family Ashore and Afloat at
THORPE WATER PARK
EGHAM, SURREY

[illegible]

CLUB ANNOUNCEMENTS

TONIGHT
THE GASLIGHT

[illegible]

RESTAURANTS

LE COQ D'OR
RE-OPENS TO-NIGHT

[illegible]

629 7807/9

UK HOLIDAYS

[illegible]

HOLIDAYS AND VILLAS

[illegible]

TRAVELAIR

[illegible]

THE REAL GREEK ISLANDS

SUNMED HOLIDAYS

MONEY SAVERS

POUND-SAVERS

AUTUMN BREAKS

CANARY ISLANDS

MAINSALE TRAVEL

SWITZERLAND

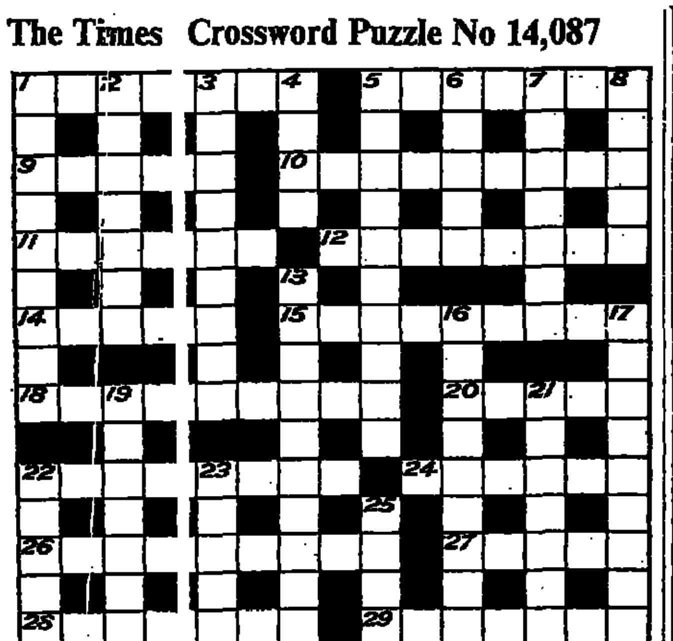
LOW FARES GUARANTEED

GREECE & SPAIN BY AIR FROM £66 & £50

SUNDANCE MOROCCO

[illegible]

The Times Crossword Puzzle No 14,087



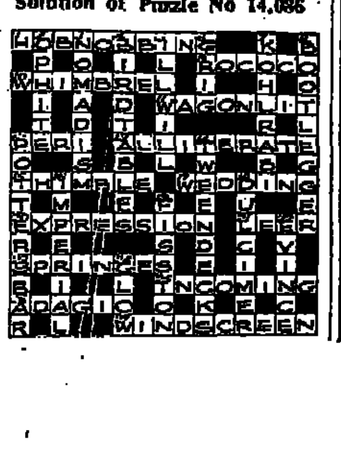
ACROSS

1 Pastmaster's subject (7).
5 Study includes slope—useful to climber (7).
9 Given a pasting by bookmaker in a fight (5).
10 Complaint from the anti-monarchists (5, 4).
11 His occupation might involve some letter-writing (6).
12 Spinning mule's inventor—Mackenzie's about right (8).
14 Subject those people to direction (5).
15 Animal Farm inmates were so obstinate (9).
18 Craft needs a mast to be changed (9).
20 Fish includes right figure of speech (5).
22 Touching if derogatory description of sonata (8).
24 List of charges for some stuff IRA took back? (6).
26 Pardons seamen—it's all wrong (9).
27 Very annoyed by one estimate (5).
28 Back-number called previously? (3-4).
29 Composer from the country (7).

DOWN

1 He declares about one—shows indecision (9).
2 Odd way to the hills (7).
3 Writer revised Heine in afternoon after work (9).
4 Wooden crosspiece rustic hasn't finished (4).
5 Imitate birds of similar plumage (10).
6 Like Johnson, is in India (5).
7 Turned sanctimonious—made one cross (7).
8 Material in name only perhaps (5).
13 Politicians make choice, holding up one concession (10).
16 Score on occasion prolongs the game (5, 4).
17 Quiet sort of life indeed for cricketers here? (4, 5).
19 Produces sex change without nurse (7).
21 It was captured all right in a never-ending war (7).
22 How to cook a chop? (5).
23 Girl is sound at left centre (5).
25 A good man, one giving us wine (4).

Solution of Puzzle No 14,086



CLRP

CITY OFFICES TO LET

E.C.2		
Gresham Street	555	sq ft
	1,000	sq ft
	3,560	sq ft
Dominion Street	2,810	sq ft
	2,700	sq ft
London Wall	775	sq ft
New Broad Street	2,462	sq ft
	1,428	sq ft
Eldon Street	1,000	sq ft
	2,400	sq ft
E.C.3		
Tower Place	4,744	sq ft*
Lloyds Avenue	645	sq ft
	1,850	sq ft
Minories	9,500	sq ft
	to 19,000	sq ft
E.C.4.		
Ludgate Circus	4,618	sq ft*
Fetter Lane	6,963	sq ft*

*Air Conditioned.

For further details apply to the Chief Surveyor, The City of London Real Property Co. Ltd., Vincula House, 29/31 Tower Place, London EC3R 5BP. Tel: 01-623 3123

A subsidiary of The Land Securities Investment Trust Limited

ANNOUNCEMENTS

WHO SAID THERE'S A PROPERTY SLUMP?

Not The Times advertisers, it seems!

This well displayed advert only costing approx £80 per day booked on our successful series plan (4 days plus 1 day free) was cancelled after the SECOND DAY. After receiving numerous enquiries, an offer was made by one of 5 very interested parties. The advertiser is obviously delighted at being able to cancel their main advert and cross reference in the personal columns which helps to bring in that extra response. You too could get response like this.

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[illegible]

FREEHOLD £19,250

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[illegible]

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Within yards of sea front and entertainment centre
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Telephone Management—Mr Deakin—Mr Moya
Eastbourne (0323) 25387

HOLIDAYS AND VILLAS

CORFU— LOOK BEFORE YOU BOOK

WANT TO SEE WHERE YOU'RE GOING TO BEFORE [illegible] ON THE DOTTED LINE? COME TO OUR OFFICE [illegible] AND SEE A FILM OF OUR HOLIDAYS AT NISSAKI AS SEEN [illegible] YEAR ON HOLIDAY '75.

Vacancies on most Wednesday and Saturday departures [illegible] September and October. £135/£140 pp 2 weeks including half-board, maid, skiing, riding, super self catering villas, hotels, tavernas, mixed villa parties for couples and [illegible] Ring today and ask for colour brochure.

CORFU VILLAS LTD., 168 Walton Street, SW3. 01-581 0851

ATOL 337B

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But in Crete during October the temperature is in the 70s. If you are looking for a fun holiday meeting interesting people, being independent and completely unorganised—we have just the holiday for you.

[illegible]

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AFRICA SPECIALISTS

AUTUMN LEISURE BREAK

AUSTRALIA—N.Z.

FOR SALE AND WANTED

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ANIMALS AND BIRDS

[illegible]